

Statutes

The following are the Community Statutes as referred to in the Minutes of the Statutory General Meeting of 31st January 2003.

These statutes are registered and referred to in the title deeds of each apartment. Every owner therefore, on signing of their title deed, agrees to abide by them.

Chapter 1	
Article I	<p><u>Name.</u> When approved, these statutes will regulate the horizontal property pertaining to the LA CALA HILLS (Blocks 1-9) Urbanisation, located between..... Of, in the municipality of Marbella (Malaga), comprising homes, in addition to corresponding garages and storage space, and named URBANIZACION LA CALA HILLS in this city, (property registerR.P.M.). The Urbanisation will be known as such in all its operations and relations in accordance with the Law dated July 21st 1960 and the Amendment 9/99 dated April 6th. The said community will form an integral part of a Macrocommunity named, with a% participation share in the common elements of the latter (listed at the end of these statutes). All member Communities will be subjected to the regulations for the use and enjoyment of these elements contained in the General Macrocommunity Statutes.</p>
Article 2	<p><u>Application sources.</u> These statutes will be regulated by the Law of Horizontal Property, and failing this, by that laid down in the Civil Code. Given that they affect the authority of present and future owners, these statutes are of an essential nature, and will be registered in the Property Register.</p>
Article 3	<p><u>Address.</u> For the purposes of all legal or non-legal requirements and notifications, each owner must appoint an address in Spain, informing the President and/or the Administrator of the Community thereof. Failing this, it is</p>

	<p>understood that the flat or apartment owned by the individual has been appointed, and should they own more than one property, then any one of them. The President and the Governing Board are considered to have an address in the Community Administration office for all matters affecting co-ownership.</p>
Article 4	<p><u>Duration.</u> These statutes are hereby constituted for an indefinite period, unless the owners are subjected to the contents of another official deed.</p>
Chapter II	
Article 5	<p><u>Description of common share.</u> All that which is not exclusively and privately attributed to individual owners, and which serves the common interests of all residents, is considered to be a common element or share, and in particular the following :</p> <ul style="list-style-type: none"> a. The ground, subsoil and overhangs or projections, where the buildings are located insofar as ownership rights allow, and as permitted by the Law or other regulations. b. The foundations, passages, walls, ditches, facades, main walls and adjoining dividing walls. c. Drains and conduits and electricity, drinking, rain and drainage water services. (From the connection point of each building). d. Ordinary and collective satellite antenna, television and FM network, when these are not centralised by the Macrocommunity. e. Interior and exterior passageways between buildings of the same Community. f. Roofing, chimney heads and rights of way. g. Stairways, lifts, hallways, passageways, corridors and landings and transit areas of the building, as well as

	<p>service areas in the basement or on the roof of the building such as rubbish areas, air-conditioning, storage rooms etc.</p> <p>The following is a non-exhaustive list of what are considered to be common services :</p> <ul style="list-style-type: none"> • Cleaning, porters, security, lighting, conservation, use and maintenance of entrances, patios, stairways, trees, common green zones, and the private gardens on the ground floor, swimming pool paddle court, and in general all common elements of the property. The private gardens on the terraces of apartments are excluded from the list of common elements. • Waste disposal, although each owner is obliged to dispose his/her rubbish in the designated areas.
Article 6	<p><u>Use and service.</u> Any owner may demand that the common elements and services be in perfect condition for use and service and may make use of same within the limitations established by the law and by these statutes, provided that other owners are not adversely affected or prevented from using them. The board is entitled to establish interior rules, in accordance with Article 6 of the Law of Horizontal Property, with regard to the aforementioned use or service, subject to a majority vote as outlined in regulation 3 of article 17 of the said Law.</p>
Article 7	<p><u>Expenses and improvements.</u> Expenses may be incurred and improvements made, for either practical or luxury reasons, with the agreement of the Committee. These may include improvements designed to enable a more convenient use of the common elements or services, or to improve their cost-effectiveness, without adversely affecting security, decoration or the stability of the building or infringing on any of the owners' rights.</p>

Article 8	<p><u>Civil Liability.</u> The civil liability arising from the properties will be distributed among the owners on a pro-rata basis, according to their share quota in the co-ownership. Liability arising from a fault or negligence committed by one of the co-owners or occupants of an apartment, will be the responsibility of the owner of that apartment.</p>
Article 9	<p><u>Insurance.</u> The building and all common areas must be insured against all types of risk, notwithstanding the fact that each owners must also insure his/her apartment in the form and under the conditions he/she sees fit.</p> <p>The Committee will choose the insurance company and determine the capital to be insured.</p>
Chapter III	
Article 10	<p><u>Concerning the private property of each owner.</u> Each proprietor is the unique and exclusive owner of his/her apartment, along with all the features or installations contained within its boundaries; consequently he/she may dispose of the latter for whatever reason or purpose he/she sees fit, without any limitation whatsoever.</p> <p>An inherent and inseparable element which corresponds to each apartment, besides its corresponding garages and storage space, is a right to the co-ownership, along with the other owners, of the common elements and services. The latter may only be disposed of in conjunction with the exclusive property of each apartment and the two elements may not be separated.</p> <p>Those owners, whose apartments have an exclusive garden as an inseparable ancillary property, are obliged to authorise access to the garden and its maintenance by the gardeners responsible for the upkeep of the common grounds.</p>

	<p>The flower boxes on the terraces of each apartment will be considered an exclusive element.</p> <p>The quantity of the participation share (quota) will be fixed according to the description of each unit. The said quota may not be altered and may only be modified by unanimous decision, according to that outlined in article 17 of the Law; it will serve as a basis to determine participation in the expenses and earnings of the community.</p>
Article 11	<p><u>Use and enjoyment.</u> Each owner of an apartment is free to use his property as he/she see fit, without any more limitations than those outlined in the Law, in these statutes and in decisions taken by the Committee.</p> <p>The following actions are hereby prohibited:</p> <ul style="list-style-type: none"> a. Any form of activity which is not regulated by the pertinent municipal permit or which is in opposition to the Municipal Regulations applicable in the area. b. To alter the distribution of exterior openings in the facades, or terraces, or to create new openings. c. To post publicity or posters on the exterior walls. d. To hang clothes on the terraces or from exterior windows. e. To decorate or adorn the exterior walls, in order to conserve the uniformity of style. f. To exhibit objects on the exterior walls which affect the appearance of the buildings. g. To install awnings and sunshades which are different to those established in the Interior Regulations. h. To install machines or engines on the property which do not correspond to the usual domestic appliances. i. To have dangerous or foul smelling products on the property

	<p>j. To install radio antennas, or ordinary or satellite television antenna, except those belonging to the community, and unless special permission has been obtained to do so.</p> <p>k. To enclose the parking spaces in the garage with chains or by other means, except those elements which prevent unauthorised parking in that space.</p> <p>The infraction of any one of these prohibitions will result in the corresponding action being taken, and in particular, the actions outlined in article 19 of the Law of Horizontal Property, in order to re-establish or impose that which has been agreed upon.</p>
Article 12	<p><u>Title.</u> An apartment may have one or more owners. If it belongs to two or more persons, one individual must be appointed to exercise all rights and discharge the corresponding obligations jointly and severally.</p>
Article 13	<p><u>Construction and repair work.</u> Each co-owner may carry out the construction work or modifications he sees fit within his own apartment and exclusive services and installations, provided that these do not affect the common areas, nor modify the external configuration of the building, under the conditions outlined in article 7 of the Law, in which case prior authorisation from the Committee will be required.</p>
Article 14	<p><u>Damage.</u> Any damage caused to an apartment, due to either malice or negligence, will entail imperfections in common or private areas, the owner of the apartment or flat will be obliged to repair it at his/her own expense, and failing this, then the Administrator or President of the Board will do so, at the expense of the owner obliged to carry out the work.</p> <p>Should the apartment belong to several persons, they shall be jointly and severally responsible for any common or private</p>

	<p>expenses due for payment, as well as for the damage described above.</p> <p>For this purpose the Administrator or the President has full authorisation to enter an apartment in case of an emergency such as those described above, even when the damage is unintentional.</p>
Article 15	<p><u>Common expenses and taxation.</u> Each owner is obliged to pay the share assigned to him in the budget of estimated expenses for the following financial year, in accordance with his participation quota, into the common fund, within the time limit, and in the form established by the Community Committee.</p> <p>In the same way he is obliged to pay the quantity of the share which corresponds to him in the common expenses incurred, this payment must be made by direct debit.</p> <p>Should said expenses and costs not be paid, in accordance with the conditions laid down by the Committee, the corresponding amount will be subject to annual interest of 15%, considered as earnings for the Community.</p> <p>The Owners Committee must dispose at all times of a fund for manoeuvring, of at least 5% of the established budget estimate at any given moment. Once the fund has been established it should remain constant throughout the budgetary period.</p> <p>Should a quantity of money be withdrawn from the said fund, to cover the costs of maintaining and repairing the property, it will be calculated as an integral part of the latter i.e. the established 5% and must be repaid at the start of the next financial period.</p>

Article 16	<p><u>Repairs.</u> All damage caused maliciously or unintentionally to common elements or the private property of other owners, must be repaired immediately by the individual who causes the damage, at his/her expense.</p> <p>The Owners Committee may carry out the repair work directly, and charge it to the person responsible for the damage, should the latter not carry out the work within forty eight hours of having been required to do so, not have the work completed promptly, or not have the work done to the satisfaction of the Committee.</p>
Chapter IV	
Article 17	<p><u>Community Bodies.</u> The common interest will be regulated by the Property Owners Committee and the Governing Board, each with the functions stipulated by law and in these statutes.</p>
Article 18	<p><u>The Property Owners Committee. Competence.</u> The Property Owners Committee, as the maximum authority of community interests, has competence to carry out all that stipulated in the Law of Horizontal Property or other special laws, in these statutes or other valid agreements established in subsequent meetings.</p>
Article 19	<p><u>Meetings. Notifications and Resolutions.</u> The Property Owners must meet at least once each year, to approve the budget and accounts for the coming year, and those of the previous year, or to examine any other matter of common interest.</p> <p>The President will convoke the meeting. A meeting may also be promoted by the Governing Board following a majority decision of its members, or by a group of owners representing at least twenty-five percent of the participation shares.</p>

Notice should be delivered in writing and must contain the following information :

1. The place, date and time of the Meeting
2. The agenda of business
3. An opportunity for questions and petitions
4. The convocation will also contain a list of the owners who are not up to date with their payments to the Community, and these will be notified of their incapacity to vote.

Meetings may be held on any day, either working or not, so that the majority of co-owners may attend. For this reason, given that many of the homes are used only during holiday periods, the meetings should be held at these times.

Notice of meetings shall be served by means of a written document containing the information described above, at least thirty days in advance for Ordinary meetings and two weeks before an Extraordinary meeting.

The meeting can lawfully take place even without the convocation of the President, providing that all of the owners agree and decide this. Attendance at the general meeting of owners shall be in person or by representation, providing sufficient authorisation has been given to do so.

A private written authorisation will be sufficient to accredit this representation, provided that the signature of the owner represented is known to the President, Secretary or Administrator of the Owners Committee.

After discussion at a meeting, the matter is then put to a vote by all those in attendance. The valid decision will be that which receives the vote of the majority of owners and who represent the majority of the participation shares.

	<p>If a majority vote is not obtained due to lack of attendance on behalf of the owners at a first convocation, another convocation will take place with the same requirements as the first, unless the latter has already been anticipated.</p> <p>At the latter meeting, decision adopted by the majority of those present, representing more than half of the value of the quotas of the owners present, will be valid. Should it still be impossible to obtain a majority, then article 17 of the Law of Horizontal Property will be applicable.</p> <p>Regardless of that which is outlined in this general rule, other agreements will exist which require a unanimous decision in accordance with article 17 of the Law of Horizontal Property.</p>
Article 20	<p><u>The President of the Owners Committee.</u> The owners will elect a President with the powers indicated by law and especially the following:</p> <p>To represent to Community, either legally or otherwise, in all matters of interest and especially in all forms of lawsuits, proceedings or matters of a civil, contentious or voluntary, criminal, administrative or contentious-administrative jurisdiction, or any other ordinary or extraordinary jurisdiction; to bring ordinary or extraordinary lawsuits, including repeals, revisions or other before any department of the Supreme Court. To execute court orders, suspend, relinquish, settle or entrust the same proceedings to legal or equity arbitrators, to other third parties, or to fate; to quash all types of lawsuits and legal processes, to request the intervention of Notaries or other officials, demanding the formalisation of the required documents and to pay or charge the corresponding sums.</p> <p>I) To convoke and preside over the General Owners Meeting</p>

	<p>when he/she sees fit.</p> <p>m) To execute or order the execution of decisions taken by the Owners Committee or the Governing Board, or due to a legal ruling according to that outlined in paragraph four of article 18 of the Law of Horizontal Property.</p>
Article 21	<p><u>The Governing Board.</u> The Governing Board will consist of four members, appointed by the General Owners Committee. Their decisions will be adopted by a simple majority vote of its members.</p> <p>It will consist of the following members:</p> <p><u>President:</u> The Governing Board is presided over by the President of the Community, with the authority described in the previous article.</p> <p><u>Vice-president:</u> The Vice-president will represent the President in his absence, with the obligation to inform him of his actions at the earliest possible opportunity. He will also perform the tasks assigned to him by the Governing Board or by the President.</p> <p><u>Secretary-Administrator:</u> The General Meeting of the Community will elect a Secretary-Administrator, with the faculties assigned to him by law, and especially those faculties outlined in these statutes or subsequent agreements. He will have the right to voice his opinion and to vote on the Governing Board.</p> <p><u>Board member:</u> Consultation, suggestions and supervision of the tasks and work carried out in the Community, with the right to voice his opinion and to vote on the Governing Board.</p>
Article 22	<p><u>Faculties of the Governing Board.</u> The Governing Board has the following faculties:</p>

	<ul style="list-style-type: none"> a. To carry out all administrative actions and sign contracts concerning the Community property, according to the terms and conditions they see fit. b. To use the signature and act on behalf of the Community in all forms of banking operations, except mortgages, guarantees, credits with community guarantees and similar operations which should be agreed upon previously by the Co-owners Committee. c. To order the performance of work included in the budget and all other urgent and necessary work, even if not foreseen in the budget. d. To see that all decisions taken by the Committee are executed, to keep an account of expenditure of the Community and the earnings corresponding to each member, creating, if necessary, a common fund for the quantity deemed necessary. e. To appoint and dismiss all personnel required, fixing salaries according to the budget. f. To be responsible for the accounts and to prepare the annual expenditure accounts and proposed budget for the forthcoming year for approval of the Co-owners Committee. g. To regulate its own operations in all that is not outlined in these statutes. h. The faculties given above serve only as an indication and are by no means exhaustive since all those faculties which are not specifically assigned to the Co-owners Committee may correspond to the Governing Board. For all acts of utilisation, transferral and encumbrance the previous consent of the Co-owners Committee is required.
Article 23	<p><u>Books and Documents.</u> All books and documents will be kept in the custody of the Secretary-Administrator and must be at</p>

	<p>the disposal of the President and Vice-president at all times.</p> <p>Likewise, they may be examined or consulted, under the correct circumstances, by any owner or other authorised individual.</p> <p>The above persons may also obtain notes or certifications of decisions taken, issued by the Secretary-Administrator with the President's approval.</p> <p>The resolutions of the Owners Meetings will be recorded, along with the necessary annotations in a Minutes Book, paged and stamped by the court pertaining to the location of the property or certified by a Notary. The information recorded should include the number of sheets contained in the book and any other necessary elements.</p>
Article 24	<p><u>Posts of President, Vice-president, Board Member and Secretary-Administrator.</u> The posts of President, Vice-president and Secretary-Administrator and Board member will be held for a period of two years, although they may be removed from office during their term following a decision of the General Owners Committee. They may also be re-elected for equal periods. The post of Secretary-Administrator will be held, on the first appointment, for a period of three years.</p> <p>All of the above must be owners of at least one property in the community except the Secretary-Administrator.</p> <p>The latter must be Secretary-Administrator of all phases of the urbanisation as well as of the Macrocommunity.</p>
Article 25	<p><u>Account books.</u> The Owners Committee will ensure that the necessary Account Books are kept for an efficient administration wherein all the earnings and expenses will be</p>

	recorded.
Article 26	<p><u>Common income and expenses.</u> The earnings of the community corresponds to all that money received from the co-owners or for the common elements or as stipulated by law or other community agreements.</p> <p>The common expenses include all those which result in benefits for all, and in particular those incurred for the conservation or repair of the common elements; gardens, security, porter service, staff, services, insurance, general taxation and contributions (excluding those charged to the individual apartments) and other similar expenses.</p> <p>The contribution to the common expenses will be made in accordance with the participation share indicated for each flat or apartment.</p> <p>In the case of doubt the Owners Committee will determine what is of common interest or the responsibility of each individual owner.</p>
Article 27	<p><u>Bank account.</u> The community will hold a current bank account in a bank in this town, in the name of "Comunidad de Propietarios *****"</p> <p>The signature of the President or Vice-President and the Secretary-Administrator will be required, in order to withdraw funds from this account.</p> <p>A record of the deposits and withdrawals will be kept and all proofs of deposits or withdrawals must also be preserved. On December 31st of each year the accounts for the financial year will be closed.</p>
Article 28	<u>Issuing of bills. Interests.</u> The Administrator will issue all

	<p>necessary bills for the money owed by owners, on the first day of each natural annual trimester. Should the bill not be paid within two weeks, then the owners shall also be charged interest at a rate of 15% annually from the moment the money should have been paid without any further requirement.</p>
Article 29	<p><u>Special authority.</u> The promoter ***** is hereby authorised to introduce in the common elements and in the property he possesses any necessary modifications. He may also separate or group together the various properties, even if this entails the modification of his quota, provided he does not transgress his property and in general he may carry out all forms of modifications to the common elements, including the creation of any kind of right of way and is specifically authorised to have the modifications or rectifications legalised, in the form of a title deed of new work and horizontal division, all of this without requiring the previous consent of the Owners Community.</p>
Chapter V	
Article 30	<p><u>Jurisdictional subjection.</u> All present and future owners are hereby subjected to the jurisdiction of the Court of Marbella and hereby renounce any other legal competence in the event of any lawsuits or objections which correspond to them unless otherwise stipulated by law. Any owner condemned will pay all legal or other costs, including lawyers and Barrister's fees, even if their involvement is voluntary.</p>