

**THE STATUTES OF THE COMMUNITY OF OWNERS
OF HACIENDA ELVIRIA**

PRELIMINARY TITLE
Regarding the rules of application

Art. 1.- These present Statutes, formulated by virtue of the due faculty referred to in art. 5 of the Horizontal Property Law, fulfil the purpose of developing the current legal ordinances governing the regulation of the Owners' Community of the Residential Complex HACIENDA ELVIRIA, who shall comply with the same in the future, and which comprise the rules regulating the ample relationships which arise from the common use and enjoyment by the co-owners of the various properties situated in the different Phases of the Complex, in respect of those fixed or intangible assets which, due to their nature, situation or destination, are ascribed as serving the same.

Consequently, these present Statutes, from now on, form an integral part of the title of ownership of each co-owner and will be entered in the Land Register for their full effect before third parties in all the aspects deriving from their contents.

The dispositions of these Statutes are of obligatory observance both for the co-owners who form part of this Community, as well as for those persons living with them or dependent upon them, or those using the dwellings, and in general, for any occupant of the various apartments, premises or parking spaces which comprise the Complex.

The co-owners are therefore obliged to include the contents of the same, in the event of the sale or attachment of their property, in the title deed documenting either of the former, and to register in the Land Register the conditions which limit the right of ownership.

In all that is not expressly provided for in these Statutes, the dispositions contained in Law 49/60, dated the 21st of July, governing Horizontal Property will be applicable, with any latter reforms thereto, together with the Civil Code.

Art. 2.- The Internal Rules will be complementary to these Statutes, in order to regulate coexistence, relations between neighbours and suitable behaviour, common services and elements, and which must be approved by the co-owners. They will contain the internal rules to be fulfilled by all the occupants of the apartments, store-rooms, and garage-spaces in all the phases, once the said Statutes are in force.

TITLE ONE
“Regarding the Community and its Members”

Art. 3.- The Owners' Community.- The joint owners of the community's assets will automatically be members of the Community of owners, with the assignation of indivisible quotas therein to the present or future owners of the various privately-owned properties throughout the different Phases, already completed, under construction or planned, within the said Residential Complex.

Art. 4.- The Address of the Community.- Provisionally, the address of the Community will be considered as that of the Sales Office in HACIENDA ELVIRIA Complex, situated in Avda. Espafila, Elviria, 29600 Marbella, until such time as it is transferred to the premises intended for use as the Community office, the situation of the same to be decided by the Development Company.

Art. 5.- Community members and their address.- Any natural person or legal entity owning one or more properties in the Complex has the nature of member. For Community purposes, members will be considered those who can legally prove their ownership, or failing this, the person or persons registered as owners in the Land Register. In order to exercise their rights and fulfil their obligations, the community members will have as their address the property owned by them within the Community, without prejudice to the rules regarding notifications established in art. 8 of these present Statutes.

The nature of community member is inseparable from ownership, and no community member may divide the communal assets, in accordance with article 401 of the Civil Code.

Art. 6.- Co-ownership.- In the event that any of the properties in the Complex should be indivisibly owned by various persons, or legal entities, these shall appoint a representative from amongst them, in order to exercise their rights of ownership, responding jointly in respect of all the obligations which correspond to them in the Community, without prejudice to the agreements reached amongst themselves.

Art. 7.- Regulation of transfers.- In the event of transfer of ownership, the acquirer will be surrogated in the rights and obligations deriving from these Statutes, and the transferor is obliged to include the same in the deed of transmission, and provide the Community with the name and address of the acquirer within a period of 15 days after the transfer. Until such notification is received, since the Community cannot know of the transfer of ownership, the former owner will remain jointly responsible, together with the new owner, in respect of the fulfilment of obligations towards the Community.

Art. 8.- Rules regarding communications.- For all kinds of requests, summons and notifications which must be made in accordance with the application of these Statutes, each community member must provide an address in Spain, which will be entered in a register to be kept for this purpose by the Secretary/Administrator, so that any change of address must be notified in writing via registered post with acknowledgement of receipt. If no address is supplied, or in the event of an address abroad, all correspondence will be sent to the property owned by such member within the Community.

TITLE TWO

“Regarding private and common elements, common services, and Share Quotas”

Art. 9.- Communal elements.- As well as those enumerated in article 396 of the current Civil Code, and those elements which have not been described as private property in the deed of horizontal division, to which these present Statutes will be attached, common

elements are considered as the following, given by means of examples and not conclusively:

- 1.- The subsoil upon which the Residential Complex stands, without prejudice to the legal or other rights of passage to which the estate may be subject.
- 2.- The foundations and structural elements of support such as the girders supporting each floor, the framework of the properties and the rough work of floors and ironwork.
- 3.- The sewers and general drains.
- 4.- The load-bearing walls and dividing walls, the footings, the structural elements, the façades and the partitions, always provided that these serve the ultimate purpose of dividing the various properties.
- 5.- The roads, streets, entrances, pedestrian paths and pavements, zones to manoeuvre in the garages in the basements of the complex and the access ramp to the same.
- 6.- All the green zones and the gardens existing in the open spaces within the Complex, with the corresponding irrigation systems and lighting, and the swimming-pools, with their systems of intake, filtration and expulsion of water. Paddle Tennis court.
- 7.- The paths, hallways, corridors, staircases, lifts, entrance doors, terraces giving access to the dwellings, entrance halls and doorways, and the entrance porches to the same. The apartment intended for use by the porter, if such is included.
- 8.- The rooms housing the meters, general service motors, pumps and water-storage tank.
- 9.- The ornamental designs and decorations on the façades, hallways and other common elements, including the varnish or paintwork.
- 10.- The general network of drains, both domestic and rain-water, and the installations up to the connection with the sanitary fittings in each property.
- 11.-The tubes and other fittings comprising the water supply system up to the connection with the meter for each plot or dwelling. Also included are the irrigation systems of the garden boxes of the apartments.
- 12.- The fittings, cables, wires, lamps, posts, transformers, lamp-posts and any other equipment relating to the consumption and use of electricity, both for private purposes and common ones, up to the point of private connection (meter), excepting those owned by the supply company.
- 13.- The lightening conductor/s and all the fittings to the ground, the chimneys.
- 14.- The collective aerial/s for radio and television, all the fittings and cables, together with satellite dishes or community video, up to the entrance of each property.

15.- The equipment installed as security system and against fires, except the apparatus of the said system installed in the interior of each property.

16.- With regard to the terraces, these are considered as common elements for the private use and enjoyment of each owner. Therefore each owner is responsible for the maintenance and upkeep of the same. In the event of faults or imperfections due to structural defects, in the ironwork or waterproofing, the repair corresponds to the Community of owners, unless obviously caused by the owner or due to his neglect, in which case, he must repair the same at his own expense.

17.- The exterior enclosure of the development Complex.

18.- And generally, all those elements destined for general use by the community which already exist, or are created in the future, or which may be supplied or used.

Since these common elements are not susceptible to division, they may only be transferred, mortgaged or attached together with the dwelling, apartment or private premises corresponding to each of them.

Art. 10.- Private elements.- All the works existing within the interior of each property from the door of access, and including the same, are owned by the proprietor, thus including the windows, partition walls, flooring, plastering, decoration, sanitary fittings and drains, the pipes and tubes providing services from their connection point in the general network within the Building, and in general everything within the interior of the same, unless the contrary is proved.

In the case of the garden apartments, even though the gardens are considered as private, the Community will undertake the upkeep and maintenance of the same.

Regarding this maintenance, the Community will only care for the plants, trees and shrubs... which the Developer originally included in the landscaping of such gardens.

Art. 11.- Common Services.- Common services refers to all those that prove necessary to the Community and those which, for the same purposes, are considered advisable by the Assembly of owners. For example, all those related to the maintenance and repair of the common elements, the cleaning of roads and common areas, the collection and disposal of garbage, the upkeep and maintenance of the gardens and flower-beds, the maintenance of the swimming-pool, security services and guards.

Art. 12.- Share Quota.- The Complex is divided horizontally, materially and legally, into independent properties, liable for individual use and ownership, and which each have a right to co-ownership in respect of the common elements within the same, necessary for the use and enjoyment thereof.

The property is thus divided into financial share quotas which express the proportional value of each property and the corresponding share in the entire Complex, in respect of the total value of the same, in order to participate in the expenses and benefits of the community, and also to calculate the quorum of assistance and voting in the General Assemblies.

The share quota in the Community is inseparable from the ownership of each property, in such a manner that the transfer under any title, including obligatory transfer of the property, also implies that of the share quota in the community.

Since the development Complex is in the stage of construction or planning, as the Developer completes the various areas, blocks and construction of the different phases of the complex, these will be gradually handed over to the Community upon their completion.

This effective handing-over to the Community will determine the moment at which the system of contribution to the community expenses in such areas, blocks or buildings enters into force, in accordance with the share quotas corresponding to the owners, in conformity with the statutes and the foundational title of the Community.

Such handing-over, in view of the importance in the running of the Community, must be confirmed in writing, giving details of the areas or blocks which are thus delivered to the Community and the date of the same.

All owners agree until at least 90% of all the dwellings are sold and handed over, the Selling Company! Promotor may administrate exclusively the Community, distributing amongst the co-owners, the coefficients that correspond to them, previously justified and designate freely the administrators, employees, security guards and other staff to the service of the community. It is fully clear that the community costs of the dwellings which construction is completed and handed over, will be borne by the owners.

THIRD TITLE

“Regarding the rights, obligations and prohibitions of the owners.”

Art. 13.- The rights of the owners.- The following correspond to each owner in the urbanisation.

* The individual and exclusive right of ownership of his property and of any legal improvements made to the same, with all the faculties that are implicit to such ownership.

In the event of the rental of his property to third parties, which is his right, the lessor will be responsible to the Community for the acts of his lessees or tenants, without prejudice to the agreements that he may have reached with them personally.

* The right to use and enjoyment, together with the other owners, of the elements, services, objects and assets of common use.

* The right to take part in the management of the community via the corresponding bodies, attending and voting in the Assemblies and eligible for election to posts within the community, in accordance with the statutes.

All the above with the sole limitations established by law, in these present Statutes and in the agreements validly adopted by the governing bodies of the Community.

Art. 14.- The right to carry out building alterations.- Each owner may, at his expense, carry out those works or installations he considers convenient, including the redistribution of his rooms, always provided that this does not affect the common elements of the Complex or the private property of the remaining members, and does not reduce or alter the security of the building, its general structure, its configuration or external condition, its appearance, or prejudice or affect the rights of other owners. Prior to any such works or installations, the owner proposing the same should inform the Board of owners, enclosing a technical plan with the said notification in which the works are detailed, so that the said Board can oppose the same if they do not comply with the conditions stated above.

In any case, and until such time as the building of the Complex is completed, such works must be approved by the Developer. When the Complex is entirely built, this faculty will be given up to the Community.

Art. 15.- Material division, adjoinment and segregation.- In the event of material division, segregation or adjoining of two or more properties, this must be notified to the Community so that, by unanimous agreement, the share quota corresponding to the resulting unit or units may be fixed, without alteration to the remaining quotas, and for latter entry in the Register.

Art. 16.- The obligations of the owners.- The following are obligations of the owner:

- 1.- To respect the general installations, or those for the benefit and use of another owner included in his property.
- 2.- To maintain his own property and installations in a good state of repair, in a manner that does not prejudice the community or other owners, compensating at his own expense any damages caused by his carelessness or that of the persons for whom he is responsible.
- 3.- To permit the execution of works, repairs or inspections which prove necessary for the maintenance and upkeep of the common elements and installations of the property, or those of a private nature of another apartment.
- 4.- To permit entry to his property for the purposes mentioned above.
- 5.- To avoid damage or alteration to the common services and installations, answering to the community for those caused either personally or by the persons for whom he is legally responsible, together with those caused by persons whom he has allowed to occupy his property by any title whatsoever.
- 6.- To provide a copy of the key to his property to another owner of his confidence, or to provide the address where such key may be found, or a telephone for contact to the Administrator, President, or employee if such exists, in the event of a long absence, and in the event of emergencies, in order to gain entry to the dwelling if the need arises.
- 7.- To provide an address, for the purposes established in art. 8 of these present Statutes.

8.- To contribute towards the general expenses for the adequate support of the building, its services, taxes and charges, in accordance with the quota established or to be established. The fact that any one of these elements or services is not used by the owner in question does not exempt him from the fulfilment of this obligation.

The expenses which affect, refer to or are chargeable to each dwelling and which may be individualised will be at the exclusive expense of each owner.

9.- And in general, all those established by the Horizontal Property Law, and particularly in article 9 thereof.

Art. 17.- Prohibitions.- Together with the limitations imposed by Law, the owner may not:

1.- Carry out alterations to the common elements or installations, thus, if he should do so, he will be responsible to the Community for the damages caused and must repair and return the same, at his cost, to their original state.

2.- Install on the terraces blinds other than white ones, which is the colour established for the Residential Complex. To modify the railings or paint them a different colour to that established by the Developer in the Plans for the Residential Complex.

3.- Enclose the terraces, totally or partially, by any device, since to effect the same the unanimous approval of the owners is required.

4.- Install air-conditioning units in windows or on the terrace, excepting in those places designated for this purpose by the developer.

5.- Install private television aerials or satellite dishes.

6.- Install on the façade objects, announcements, posters or publicity of any kind, or on any other visible space.

Exceptionally, and solely during the period of construction of the properties and during the two years following the sale of the last property in the Complex, the development Company may retain their publicity.

7.- Carry out, within the properties, activities which could damage the property, or that are dangerous, inconvenient, unhealthy or offensive morally, or contrary to good behaviour or public order, or which could disturb the peace and quiet required for the rest of the remaining inhabitants, or which create a nuisance of any kind affecting the common elements and areas.

8.- Install machines or motors other than those normally used in a dwelling, if the noise they make could prove a nuisance and could cause damage to the other apartments or common elements.

9.- Occupy the common spaces, even temporarily, with buildings, objects or materials, or to dump waste or rubbish in the same, other than in the places prepared for such purpose.

10.- Since the share quota for the parking spaces and store-rooms has been calculated without taking into consideration the maintenance of the common elements such as gardens, swimming-pools, pedestrian areas for recreational purposes, those owners are expressly prohibited from using such elements and areas, unless they are also owners of dwellings within the Complex.

11.- In order to preserve the external appearance of the Complex and to avoid the increase in cost of the maintenance of the gardens, the owners of these shall maintain them in the same condition in which they were originally handed over by the Developer. The modifications of any kind to the same must be notified to, and approved in writing by the Developer. Once all the works in the Complex are concluded, this right will be given up to the community of owners.

Art. 18.- The destination and use of the properties.- The properties comprising the Residential complex may only be used as dwellings and under no circumstances may be used for industrial, commercial or professional purposes, nor for agricultural or farming use, clinics, warehouses, offices or any other activity other than that of a dwelling. However, the Community will have offices, which will constitute the registered address of the same, and where the administration of the Community will be undertaken, the location of the said offices to be decided by the Developer. Likewise, and of an exceptional nature, during the period of construction of the properties, and during the two years following the sale of the last property in the Complex, the Development Company may use one or various apartments or premises situated in the Urbanisation for the activities proper to the same, using them as show flats, offices, sales office, administration, accommodation or any other purpose for the development of their activity.

With regard to the store-rooms, use of the same as dwellings or industrial professional, commercial or any other use for which they were not intended, (i.e. other than as store-rooms) is strictly prohibited. Products which are poisonous, inflammable or that could endanger the Complex and its owners in any way are prohibited.

With regard to the parking spaces, these will be for the exclusive use of private cars in their respective spaces, without invading other spaces or common areas for the passage of vehicles or pedestrians. The depositing of furniture, objects or any other kind of material or merchandise is strictly prohibited.

FOURTH TITLE

“Regarding Government Management and Administration of the Community”

CHAPTER ONE

“Regarding the Bodies”

Art. 19.- Governmental Bodies.- The Government, management and administration of the Community will be undertaken by:

- a) The General Assembly of Members.
- b) The Board of Government of the Community and its delegated Committees.

c) The Secretary/Administrator.

CHAPTER TWO **“Regarding the General Assembly”**

Art. 20.- The Nature of the same.- The General Assembly of Community Members, validly called and constituted according to the Statutes, is the supreme governing body of the Community, representing the total number of members. The agreements adopted in the Assembly, in accordance with these Statutes, are of obligatory fulfilment by all the members without exception, including those dissident and those who did not attend the meeting. For this purpose, all the members give up the exercise of all their rights and acts which they hold individually with respect to the administration, use and defence of the objective of the community, granted to them both by law and jurisprudence, in favour of the General Assembly.

The carrying out of all the agreements adopted, together with those indicated in these statutes, corresponds to the Board of Government, in the person of the President, or the person who may substitute him legally or in accordance with the Statutes.

Art. 21.- Meetings.- The General Assembly will meet at least once a year, to approve the budgets and accounts, and the renewal of posts if such proceeds, in an Ordinary General Assembly, and in an Extraordinary General Assembly when this is called by the President, on his own initiative, or at the request of the Community Members who represent at least 25% of the share quotas. In this latter case, the Board of Government, via its President, should call the meeting, within a maximum period of 15 days after receipt of the request.

Art. 22.- Notification of the Assembly.- The calling of the Ordinary or Extraordinary General Assembly will be send at least fifteen days in advance of the date of celebration, via registered post, and must contain:

- a) Place, date and time of the celebration at the first calling. At least half-an-hour must elapse between the first and second calling.
- b) A detailed list of the items to be dealt with.

Art. 23.- Quorum.- The Assembly will be considered as validly constituted at the first calling when at least a number of owners representing 50% of the share quotas in the Community are present. At the second calling any number of owners present, with the coefficients they represent, will constitute a valid Assembly.

Art. 24.- Representation in the Assembly.- The members may be represented in the Assembly by a voluntary or legal representative, who does not have to be a member. The authorisation will be made in writing and will be valid for each specific Meeting, expressing in the same that “he is familiar with the items on the agenda and that on the basis of this knowledge he grants his representation”. Special authorisation for each Meeting will not be necessary in the case of legal or voluntary representatives who hold power of attorney for general or administrative purposes, excepting acts of disposition in

respect of common elements, when the power of attorney must contain express faculties for this purpose.

In the event of joint-ownership, the joint owners will choose from amongst them one representative to attend and take part in the Meetings.

In the event of the existence of right to use and right of ownership, the right to attend and vote in the Meetings corresponds to the owner, who may delegate his authority in the user, with express delegation when decisions are to be taken on the approval or modification of the rules contained in the foundational title to the property or in the Statutes, or the carry out extraordinary works or works of improvement.

Art. 25.- Regarding the procedure to be followed in the Meetings.- The procedure to be followed in the Meetings will be the following:

- a) A list of those present will be taken, stating the nature and representation of each one and their coefficient, according to their share quota.
- b) The committee will be chaired by the President of the Board of Government, or by his substitute in conformity with the Statutes.
- c) The items on the Agenda will be strictly followed and discussed, when the President will take the floor.
- d) At the end of the meeting sufficient time will be allowed for any other items or questions to be raised.
- e) The discussions and agreements must be taken down in the minutes, which must be signed by the President and the Secretary.

The minutes referred to above will be written up in the corresponding Book of Minutes, which will have been previously stamped and authorised by the competent Land Register. At the foot of the transcription the Secretary will sign the same, with the approval of the President.

CHAPTER THREE **“Regarding the Board of Government”**

Art. 26.- Formation.- The Board of Government is the body which represents and manages the Community and will comprise three members who must be owners in the complex.

The Board of Government will be formed by a President and two Members, one of whom, in the event of illness, resignation or death of the President, will carry out the duty of Vice President in his substitution.

Whilst the Development Company participates in the Community, the company representative will automatically hold the post of member of the Board of Government.

Art. 27.- Regarding the filling of vacancies.- The vacancies which arise on the Board of Government may be covered by the Board itself from amongst the members of the community, until the celebration of the first General Assembly, in which such designations will be ratified or otherwise.

In the event that the designations are not ratified by the General Assembly, the latter will proceed to elect the person or persons to occupy the vacancy during the period of office remaining to the person he is replacing.

Art. 28.- The duration of the post.- The duration of the post of member of the Board of Government will be that of one year, renewable for the same period in the Ordinary General Assembly.

Art. 29.- The Regulation of its operation.- The Board of Government may regulate its own operation, accept the resignation of members and confer the authorisations it considers convenient, in accordance with the dispositions of these Statutes. The members may be represented in the meetings of the Board of Government by other members of the said Board, such authorisation to be made in writing and for each individual meeting. The members who are absent and not expressly represented will be represented by the President, and in his absence by the Vice President, so that when any matter is being discussed there will always be three votes of the members of the Board, either present or represented.

Art. 30.- Cause of cessation on the Board of Government.- Any member will cease to form part of the Board of Government, regardless of the post held, and as well as in the event of decease, for reasons of mental or physical incapacity, judicial restraint or bankruptcy, abandonment of his duties, unfulfilment of his obligations as a member of the Community, or if so approved in a motion of censure against him in the General Assembly.

CHAPTER FOUR **“Regarding the President”**

Art. 31.- The nature of the post and its operation.- The President of the Board of Government also holds this post in the General Assembly of the Community, and represents the same before each individual member, any natural person or legal entity, the Administration of the State, Province, Municipality, Authorities, Judges and Courts, and is able to confer general and special powers of attorney as may prove necessary in the exercise of his duties.

The post of President is honorary, and may only be held by a member of the community. His duties are the following:

- a) To call and chair the General Assemblies and those of the Board of Government and to assign the items on the Agenda for each meeting and to moderate the debates and voting.
- b) To order the execution of the agreements adopted in the General Assemblies and those of the Board of Government and to see that they are correctly carried out.

- c) The management and realisation of all the Community affairs, fulfilling the legal and statutory dispositions and the agreements of the General Assemblies and Board of Government.
- d) He is the superior authority for administration and for the personnel employed by the Community.
- e) The formalisation of all kinds of acts and contracts, the authorisation of public and private documents required by and relating to the running and activities of the Community, by virtue of agreements taken by the General Assemblies and Board of Government.
- f) The sending of correspondence and the signature on behalf of the Community.
- g) The ordering of all kinds of collections and payments.
- h) To go to Court to claim from the members the payment of the quotas that correspond to them in the distribution of common expenses.
- i) The imposition and withdrawal, together with the Treasurer, of the funds in the current accounts held by the Community in all kinds of Banks and Savings Banks, including the Bank of Spain, and the opening, renewal and closure, together with the Treasurer, of the same.
- j) To sign, together with the Secretary, the Minutes and Certifications of agreements, both in General Assemblies and those of the Board of Government.
- k) Any other attribute granted to him by the General Assembly of Owners.

CHAPTER FIVE **“Regarding the Secretary/Administrator”**

Art. 32.- The duties and other considerations.- The Secretary/Administrator of the Community will have the following duties.

1.- With regard to Secretary:

- a) To keep the Book of Minutes of the Assemblies and Board of Government, writing up the said Minutes.
- b) To certify the agreement of these meetings with reference to the respective Minutes, with the President’s approval.
- c) To certify the sums owed by any member.
- d) To keep the Register of members and to make the lists of those present at the Assemblies, indicating their coefficients.
- e) To keep the Register of the Committees delegated by the Board of Government.
- f) To fulfil any other obligation established for his post by the General Assembly or these Statutes.

2.- With regard to the Administrator:

- a) To watch over the good order of the developed area, its installations or services and the fulfilment of these present Statutes, the rules and ordinances of internal management, making, in this regard, the due observations to the Board of Government and, upon instructions from the latter, the corresponding warnings to the members.
- b) To attend to the maintenance and running of the common elements, ordering the due repairs and with regard to extraordinary ones, to take the urgent measures required, immediately informing the Board of Government or the President.

- c) To have immediate control over the work of the employees and labourers employed by the Community, reporting to the Board of Government.
- d) To prepare and submit to the General Assembly and Board of Government, the plan for foreseeable expenses, proposing the method for meeting the same.
- e) To order the carrying out of all the agreements adopted in matters of works, and to make the payments and collections as prove necessary.
- f) To keep the Books of Accounts and an additional book of income and expenditure with the corresponding receipts of payments and collections.
- g) To issue invoices payable by the owners in respect of the charges for communal expenses.
- h) To act as Secretary of the Community and to hold in safekeeping, at the disposition of the owners, all the Community documentation, both Books of Minutes and Accounts.
- i) And in general, all those other attributes granted to him by the Board.

It is not necessary to be a member to hold this post.

The General Assembly will appoint and dismiss the Secretary/Administrator who may be either a natural person or a legal entity.

Exceptionally, and always provided the developer holds more than 25% of the share quotas, these Statutes reserve the duties of Community administrator to the developer, either personally or via a third person, under the direction of a qualified member of the College of Property Administrators, who will also carry out the duties of Community Secretary.

The said Administrator may be called to attend the meetings of the Board of Government, and he will attend with voice but without vote.

The Administrator is responsible to the Board of Government in the exercise of his duties, this latter indicating the manner in which he should carry them out.

TITLE FIVE

“Regarding the financial regulation of the Community”

Art. 33.- The budget.- The budget consists of the prevision of all the financial expenses which must be assumed by the owners for the year, which must be estimated annually and submitted to the General Assembly by the Board of Government.

The Administrator reserves the right to apply pro rata or increase the budget between the various Phases, in accordance with the participation of each of them in the Complex as a whole.

Art. 34.- Quotas to be paid by each member.- The quota payable by each owner will be calculated on the basis of that established in art. 12 of these Statutes, and will be payable in advance, in such a manner that each owner will pay, six-monthly, in January the first half of his quota, and in July, the second half.

From the moment upon which a new owner signs the Public Title Deed or the private sale/purchase document, he will be obliged to pay the community quotas, unless a specific agreement has been reached between the parties.

Exceptionally the Developer reserves the right to pay the quotas corresponding to him monthly.

Art. 35.- Annual Liquidation.- At the end of each calendar year, the exact expenses of the Community and the sum of the quota of each owner will be calculated. If the payments made on account should exceed the real sum of the quota, the excess will be applied to reduce the sum outstanding in respect of the following six-month period.

If the real sum of the quota should exceed the sums paid on account, the excess owed by each owner will be paid within the thirty days following that upon which they are reclaimed.

Art. 36.- Debt and its consequences.- Late payment or default in payment of the quotas by the owner within the established periods, will automatically give rise to the imposition of interest in favour of the Community, and without need for further notification in this regard. The interest rate will that of three decimals above the legal interest applicable for the period of delay, without prejudice to the surcharges applicable in respect of this non-payment in favour of the State, Regional Government, Provincial or Municipal authorities.

The obligations referred to in art. 16, paragraph 8 of these Statutes will be fulfilled by the person owning the property, in the time and manner determined by the Board. If this is not carried out, the President or Administrator, in the event that this latter is so authorised by the Board, may claim the same via the Courts, without the need for any prior notification.

All the legal and other expenses arising from such reclamation will be at the expense of the debtor, even when costs are not specifically awarded in the suits filed.

In all that not expressly provided for the procedure of reclamation of quotas, we refer to the Horizontal Property Law and the Civil Code.

Art. 37.- In the event of attitudes of obvious refusal to pay the quotas, the debtor may be sanctioned, if the law so permits, and without prejudice to the other members, to temporary deprivation of the use and enjoyment of the common elements.

Art. 38.- The insignificance of failure to make use of the common elements.- The non-use by any member of the common elements or his renunciation to such use, enjoyment or ownership, as pertinent, in no way excuses him from the payments that correspond to him in this regard.

Art. 39.- Common expenses.- Common expenses are all those arising from or destined for the maintenance, replacement, running, use, enjoyment, improvement or new installation of common elements, in accordance with these present Statutes, and which cannot be individualised in respect of their cost to any specific member or number of members.

Art. 40.- Civil responsibility.- The civil responsibility arising from or caused by objects, elements or common services will be born by all the owners pro rata their quotas.

The responsibility arising from the wilful act or negligence of any owner, will be his exclusively.

Art. 41.- Insurance of the Community.- Without prejudice to the insurance policies that each owner has the right to take out at his own expense, the common elements must be insured against fire, and catastrophes of all kinds, accidents and any other risk, with sufficient guarantee to cover any eventuality or contingency which, in the opinion of the Board of Government, could prove necessary or advisable to include. The premiums and other expenses of this insurance will be at the Community's expense.

TITLE SIX **“Final Dispositions”**

Art. 42.- Jurisdiction.- In the event of any suits which could arise from the interpretation or fulfilment of these present Statutes, all the members of the community, expressly renouncing to any particular jurisdiction which may correspond to them, submit to the jurisdiction of the Courts and Tribunals of Marbella.

Art. 43.- Development Maintenance Entity.- The present and future owners of the HACIENDA ELVIRIA Complex are obliged to comply with the Statutes of the Development Maintenance Entity of the “Mancomunidad de Propietarios y Usuarios del Vial Principal de Elviria” (the Fellowship of Owners and Users of the Main Wayfaring of Elviria), Marbella and are subject to the same in everything necessary for the effective running of the Urbanisation.

The President of the Community regulated by these statutes will be the representative of the same before the Development Maintenance Entity referred to in this article, in accordance with the instructions of the Board of Government.

The agreements adopted in these meetings will be announced in the General Assembly, giving a copy of the same to each member of the community.