

ARTICLES OF ASSOCIATION OF THE HOMEOWNERS' ASSOCIATION
OF THE PRIVATE PROPERTY COMPLEX LA TORRE GOLF RESORT

TITLE I. GENERAL

Article 1. Name

With the name of "Homeowners' Association of the Private Property Complex LA TORRE GOLF RESORT", a homeowners' association is hereby incorporated for the estate covering the entire scope of the "LA TORRE GOLF RESORT" partial plan, without prejudice to the particular homeowners' associations incorporated on the various plots that make up this community, which shall be considered as the "GENERAL COMMUNITY OF THE PRIVATE PROPERTY COMPLEX LA TORRE GOLF RESORT".

Article 2.

The association shall be governed by the provisions laid down in articles 24, 5 and other corresponding provisions of the Condominium Act 49/1960, of 21 July, reformed by Act 8/1999, of 6 April, as well as the provisions laid down in these articles of association or substituting regulations.

Article 3. Address

1. For all intents and purposes, the initial address is set at the access control building on the property complex.
2. The homeowners' meeting, with the majority laid down in article 17.3 of Act 49/1960, may agree the transfer to whatsoever place on or outside the estate, where the new address shall be notified to the homeowners and registered in the property register.

Article 4. Purpose

The main purpose of the association shall be to regulate the relations of the owners of the property included in the "LA TORRE GOLF RESORT" complex with regard to the indivisible co-ownership of other common services, installations and elements, as well as to ensure their conservation and maintenance, including certain public infrastructures and facilities on the estate, especially the maintenance of the exterior aesthetic conditions of the buildings and gardens from the part that is visible from roadways and other common areas as laid down in these articles of association.

Similarly, the purpose of the homeowners' association includes the maintenance and conservation of the infrastructures and facilities to be assumed by the owners of the plots and houses on the estate in accordance with the partial plan of the sector, the Ground space Act 1/2001, of 24 April, governing ground space in the Region of Murcia, and Royal Decree 3288/1978, of 25 of August, which adopted the town planning regulations.

Article 5. Common elements

The following shall be considered common elements of the "Homeowners' Association of the Private Property Complex LA TORRE GOLF RESORT":

- a) The fence around the complex.
- b) The security systems.
- c) The swimming pools on the complex, with all their installations and complementary services.
- d) The tennis courts and sports facilities on the complex.
- e) The roadways on the complex, the green areas, gardens and open spaces that do not appear as private elements on the corresponding declaration of new works and condominium and, in particular, the portions of the plots that are not built up and are for residential-collective use.
- f) The other common services and facilities on the estate, such as public lighting, rubbish bins and similar, etc.

g) The services for the conservation and maintenance of the complex as laid down in these articles of association. In particular, the following elements must be conserved and maintained by the general homeowners' association even though they do not constitute common elements in the strict sense of the word, but their maintenance is obligatory for all homeowners in accordance with the provisions laid down in Act 1/2001, of 24 April, governing ground space in the Region of Murcia, and town planning regulations:

1. Public and private open spaces and green areas (except the private areas corresponding to the owners of the complex) included in the scope of the partial plan.
2. All the roadways and pavements included in the scope of the partial plan.
3. All the public and private lighting installations in the scope of the partial plan, panels, transformer stations, street lamps, etc.
4. Drains and irrigation grids in the scope of the partial plan, as well as the corresponding waste water purification station until it is transferred to the competent local or regional administration.
5. Maintenance and cleaning of the rubbish bin elevation mechanism.

On the other hand, as agreed with the municipal authorities, the local authorities of Torre Pacheco shall assume the following:

1. Public lighting consumption in the scope of the partial plan.
2. Waste collection.
3. Fresh water grid and tank in the scope of the partial plan.

Under no circumstances shall the consideration of common elements be given to the ground or projection of the plots on the complex that are private property and which award the owner all the proprietary rights without prejudice to the limitations laid down by private statutory regulations and for the common good as laid down in the following articles of association, even when part of a segregated condominium system:

Consequently, the developer or party associated therewith has the right to gradually build on the plots on the complex, declare the corresponding new works and, where applicable, carry out the material or horizontal division, as well as whatsoever modification to mortgage entities, without the consent or even the knowledge of the homeowners' association.

Article 5 bis

A) AESTHETIC AND ORNAMENTAL CONDITIONS AND CONDITIONS OF USE

Without prejudice to each homeowner possessing the property of his/her plot and the building and plants thereupon, as indicated in the corresponding property deed, in order to ensure the harmony and well-being of the parts of the whole:

1. The homeowners are expressly obliged not to modify the exterior aesthetic conditions of the buildings in such a way that no alterations whatsoever may be made to the fronts, the exterior volumes or the colour or materials used, the windows, canopies, roofs or towers. The porches and terraces may not be closed off, no TV or radio aerials or whatsoever other exterior telecommunications devices or similar elements may be installed. No clothes may be hung out on the fronts of the buildings or in the plot of land in an area that is visible from the roadways and no signs or posters may be fitted, all with regard to the photographs included in the certificate of occupancy.
2. The homeowners are expressly obliged not to modify the type, colour and other characteristics of the fences around the plots, nor the gardening and care of the said plots in the area that is visible from the roadways, all with regard to the photographs included in the certificate of occupancy.
3. The association assumes the maintenance of the fronts and the lawns on the gardens in front of the terraced houses which, although they are not common elements, shall be obligatory for all homeowners. The front

gardens shall be understood as the part of the gardens visible from the roadways. Similarly, the association assumes the maintenance of the gardens, open spaces and swimming pools on the residential plots corresponding to the blocks, as well as the fronts of the blocks, terraced houses and villas on the complex. The maintenance of the funds shall be carried out at least every five years and shall be paid for by the association's funds, for which the corresponding budgetary item shall be consigned to one or more financial years.

This obligation and its correlative right shall exclude the hotel establishment and golf club on the property complex which, given their specific nature and subjection to quality standards that are higher than normal standards for homes, shall be subject to more exhaustive maintenance with regard to both frequency and quality than the rest of the complex.

4. On the plots, the homeowners may not construct buildings and/or fixed or mobile installations, except for a swimming pool, outside Jacuzzi, garden shed and barbecue, which are to be located at the rear of the building in the area that is not visible from the roadways.

The homeowners whose plots have a swimming pool shall adopt the safety elements required to avoid injury to third parties. In particular, they shall install a fence around the pool with a height of at least 90 cm (0.90 m).

5. The homeowners shall use their homes exclusively as a permanent or temporary residence. It is prohibited to carry out whatsoever professional, mercantile or industrial activity in the homes.

6. The non-fulfilment of the obligations assumed by the homeowners in the previous four sections (1 to 4), besides the corresponding repair, shall accrue in favour of the association and on the account of the homeowner committing the infraction a penalty of one thousand euros (€1,000) per day from the non-fulfilment up to the total repair. The amount set for the said penalty shall be automatically updated annually without the need for prior agreements or whatsoever of the formality, where the percentage variation of the general consumer price index system published by the Spanish National Institute of Statistics (or body which takes its place) shall be applied to the penalty corresponding to the previous year in a period of 12 months immediately prior to the update date.

7. In order to modify the obligations laid down in the above sections (1 to 6 of section A), as it is a modification of the constitutive title, the unanimous and express consent of the General Homeowners' Meeting, especially called for the said purpose as laid down in article 17.1 of the Spanish Condominium Act shall be required. The opposition of only one of the members of the association shall prevent the adoption of the said modification.

B) SURVEILLANCE AND SECURITY

Without prejudice to the municipal police services, the association shall contract a special surveillance and control service for the security of the entire estate, as well as the swimming pool areas that represent a common element of the complex, due to their obligatory nature in accordance with applicable legislation.

The contribution of homeowners to the payment of the expenses corresponding to the service shall be proportional to the quotas corresponding to each plot in the general expenses of the complex.

C) ANIMALS

1. The possession of potentially dangerous animals as per Act 50/1999, of 23 December, and Royal Decree 287/2002, of 22 March is prohibited, as well as those expressly considered dangerous by the General Homeowners' Meeting.

2. As for "pets", considered as such by law or by restriction of the regulations, the animals declared pets by agreements of the General Homeowners' Meeting shall be obligatorily identified by the implantation of a transponder (microchip), be on a leash or chain of less than 2 m when they are on the roadways or in the common areas or on the plot of the homeowner that is visible from the said roadways or common areas, where the said homeowners shall respond for whatsoever upsets or dirt his/her pet or pets may cause. Pets causing noise of whatsoever kind (barking, meowing, etc.) that is occasionally or repeatedly (in the opinion of the General Homeowners' Meeting) upsetting or louder than the levels laid down in the following section shall not be allowed.

3. The pets' owners shall have taken out insurance policies with an accredited company under the terms and conditions laid down by the General Homeowners' Meeting.

4. Besides the applicable legal requirements regarding "pets" (including the municipal bylaw issued by the local authorities of Torre Pacheco, Decree of 31 January 2000), the association shall keep a register of the pets with their corresponding identification and indication of their owner. The General Homeowners' Meeting may limit the number of "pets" per homeowner with the quorum of approval laid down in article 17.3 of Act 49/1960.

D) NOISE

Homeowners are prohibited from making noise above thirty (30) dB, except for the hotel and commercial area, which shall conform to current legislation.

E) INSTRUMENTS OF THE ASSOCIATION

For the fulfilment of its purpose, the association may:

A) Monitor the appropriate use of the common elements and those of public use and domain on the estates of the partial plan LA TORRE GOLF RESORT of Torre Pacheco, guaranteeing and requiring the fulfilment of the rights and obligations of the members of the association.

B) Distribute the expenses of the association among all its members in accordance with their corresponding quota as per the deed of the complex and the agreements adopted by the General Homeowners' Meeting.

C) Adopt the measures and exercise, where applicable, the corresponding actions against members of the association or third parties in order to require the appropriate fulfilment of the obligations undertaken as a result of their membership of the association or actions or negligence affecting common interests.

D) Acquire, possess and transfer chattel goods and fixed assets, sign all kinds of contracts and administrate the assets, expenses and income required for the purpose of the association.

E) Create a reserve fund that corresponds to the association for all intents and purposes and which contains an amount that may not be less than 20% of the last annual budget under any circumstances.

F) Manage and defend common interests against whatsoever public authority and private individuals with regard to all the legal documents, contracts, actions and resources as necessary.

G) Exercise whatsoever legal rights and activities that are appropriate for the better fulfilment of the association's purpose and which benefit the association and its members.

Article 6. Action Area

The action area shall be constituted by the scope of the partial plan LA TORRE GOLF RESORT of Torre Pacheco, where its members shall join the association when the buildings and plots of land are delivered to them.

The specific buildings and plots of land that make up the complex and which are therefore subject to these articles of association are specified in the deed of incorporation of the private property complex.

Article 7. The association and the urban conservation entity

Given the overlapping of obligations that correspond to the owners of the homes and plots of land included in the scope of the partial plan LA TORRE Golf Resort of Torre Pacheco resulting from civil and town planning legislation, the scope of action of the homeowners' association shall include the planning obligations regarding the maintenance of facilities and infrastructures allocated to the owners by virtue of the partial plan LA TORRE Golf Resort of Torre Pacheco in accordance with the provisions laid down in Act 1/2001 of 24 April, governing ground space in the Region of Murcia and town planning regulations. Consequently, the homeowners' association shall undertake to fulfil the said obligations and shall be obliged to maintain and conserve the facilities and infrastructures listed in article 5 and following of these articles of association, even when the said facilities and infrastructures are not considered as common elements.

Article 8. Term

The term of the homeowners' association shall be indefinite. The dissolution of the association shall require the unanimous and express agreement of the general meeting of the association especially called for the said purpose. The opposition of only one of the members of the association shall prevent the adoption of the said dissolution.

TITLE II. PERSONAL AND REAL ELEMENTS

Chapter 1. Members of the association, rights and obligations

Article 9. Members of the Association

1. It shall be obligatory for all the owners of singular and exclusive rights to spaces limited and susceptible to independent use to form part of the association.

2. The owners of property under the ordinary or segregated condominium system shall be represented by their chairman at the general meetings of the homeowners' association, without prejudice to their right, at the meeting, to appoint another person other than their chairman to represent their particular association for the said purpose.

3. The co-owners of a plot of land, building or whatsoever property shall appoint one single person by virtue of a notarial document with sufficient powers to exercise the corresponding rights to respond jointly for all of them to the association with regard to the obligations resulting from their condition. Should a representative not be appointed in the term indicated by the chairman, the chairman shall appoint the said representative from among the co-owners and give notice thereto.

When the property is owned by minors or persons whose capacity for action is limited, they shall be represented by their legal representatives.

4. The association shall keep a homeowners' register which shall contain the personal details of the owner or owners, the property system, the representative of each homeowners' association in the general association and, in the case of companies or associations of whatsoever nature, the details of their representative. This register shall include the transfers, constitutions, modifications and extinctions of rights over the properties of the members of the association.

Article 10. Rights

The members of the association shall have the following rights:

A) The use of the common elements and the public and private infrastructures and facilities with the formalities and requirements laid down in these articles of association or established by the General Homeowners' Meeting.

B) The benefits laid down in the legislation governing condominiums and other applicable regulations.

C) Attendance at the General Homeowners' Meeting through a representative, where applicable, and participation in the adoption of agreements in proportion to their respective quotas in the association.

D) Participation, where applicable, as voters or candidates in the designation of the governing bodies.

E) The right to make whatsoever proposals they consider appropriate for the fulfilment of the association's purpose to the governing body of the association.

F) Notification of the agreements adopted by the General Homeowners' Meeting at the address designated for the said purpose in compliance with the provisions laid down in article 11 E) of these articles of association.

G) To be notified, where appropriate, of whatsoever activities that may affect the association.

H) To appeal against the agreements adopted by the General Homeowners' Meeting in accordance with the provisions laid down in the legislation governing condominiums and other applicable regulations.

I) To receive, in the case of dissolution and liquidation of the association, the parts of the patrimony thereof that correspond to them in proportion with their respective quotas of participation.

J) To present proposals and make suggestions.

K) Whatsoever rights resulting from these articles of association, condominium legislation and other applicable regulations.

Article 11. Obligations

The members of the association shall be obliged to:

A) Comply with the obligations laid down in these articles of association, especially in reference to the aesthetic conditions and the maintenance of public and private facilities and infrastructures laid down in articles 5 and 5 bis, as well as the agreements validly adopted by the General Homeowners' Meeting, and to obey the authority of the governing bodies and their representatives, without prejudice to the corresponding legal actions.

B) To accept the appointment of the members of the governing bodies.

C) To pay the ordinary and extraordinary quotas set by the General Homeowners' Meeting on time in order to satisfy the expenses for the provision, conservation and maintenance of the common elements, those of public use and domain to which they are obliged or those corresponding to private property whose maintenance is assumed by the association, in particular the maintenance of the facades of the blocks or buildings, private front garden areas and those of common use in the collective plots, as well as the security and control service subject to the terms and conditions laid down in sections A) and B) of article 5 bis. For the said purpose, the General Homeowners' Meeting shall set the amount corresponding to each plot so that the distribution is made internally in accordance with the quotas, the particularities laid down in the aforementioned sections of article 5 bis and the provisions laid down in the association budget under the terms and conditions laid down in these articles of association and in the legislation governing condominiums.

D) To contribute to the reserve fund in proportion with their quotas of participation.

E) To notify the secretary of the association of an address that shall be located expressly in Spain for the purposes of notifications, as well as of whatsoever modifications thereto. This obligation applies especially to the chairmen and persons specifically designated to attend the General Homeowners' Meeting by the homeowners' associations of plots included in the complex.

F) To designate a bank account with a view to paying the receipts issued by the association.

In whatsoever case, whatsoever notifications sent to the address indicated in the association register shall be understood as correctly carried out and, if such an address has not been indicated by the owner, those sent to the building and plot owned shall be considered appropriate, as shall a notice posted on the association notice board.

In the case of the transfer of ownership of the building and plot, a certificate shall be applied for and issued by the secretary of the association stating that the current owner is up-to-date with all his/her obligations regarding the association. The certificate shall be attached to the document of transfer. In addition, the owner is obliged to notify the secretary, within the term of 15 days following the transfer, of the name, surname(s) and address of the new owner.

Should the vendor fail to comply with the aforementioned obligation to notifying the transfer, the association may require him/her to pay the quotas corresponding to the building and plots jointly with the new owner, without prejudice to the right of the former to pass on the payment to the latter.

G) To designate, in the cases of co-ownership, a person representing the co-owners in the exercise of the rights and fulfilment of the obligations laid down in the statutes, without prejudice to the joint responsibility of the former. The said designation shall be made by the General Homeowners' Meeting should no agreement be reached between the interested parties regarding the said designation or should the said designation not be carried out.

H) To comply with the obligations expressly laid down in article 9 of Act 49/1960.

Article 12. Participation in the association

1. The participation of the members of the association in the rights and obligations laid down in the articles of association or which may be adopted in the future, as well as in the adoption of agreements reached by the General Homeowners' Meeting, shall be proportional to the quota assigned thereto. It is hereby determined that the quota assigned to each plot is equal to the coefficient assigned in the deed of incorporation of the property complex. The quota of each building and each independent element shall be as indicated on the corresponding deed of declaration of new works and condominium.
2. The quotas of participation, which shall be used to contribute to the expenses of the association, shall be equal for each part to the coefficient assigned thereto in the corresponding deed of incorporation.
3. The provisions laid down in the preceding two paragraphs shall be understood without prejudice to the particularities laid down in article 5 bis, sections A) and B), of these articles of association, regarding the contribution of the plots to the payment of the expenses resulting from the maintenance of the facades, the common elements of the collective plots (plots C-1 to C-10) and the lawns on the front gardens of the buildings and to the maintenance of the public and private facilities and infrastructures and the security and control services of the complex, respectively, whose application shall prevail.
4. Whatsoever modifications to the quotas laid down in section 2 above adopted by the General Homeowners' Meeting shall be recorded in the property register.

Article 13. Transfer of property

The transfer of whatsoever deed of property regarding the buildings and plots which determine the obligatory membership of the association shall necessarily imply the subrogation of the buyer to the rights and obligations of the vendor, where the former shall be understood as incorporated into the association from the moment of the transfer in accordance with the provisions laid down in these articles of association.

Similarly, the incorporation into the association of the complex shall automatically determine, without the need for whatsoever consent or formality, membership of the urban conservation entity of the complex, with all the rights and obligations inherent to members, without prejudice to the functions, rights and obligations thereof being assumed by the homeowners' association.

Article 14. Common elements

1. In order to comply with its purpose, the association may acquire whatsoever asset by whatsoever means allowed in law. The said asset shall be considered as a common element and, when the said asset refers to property, the said faculty shall be limited to those within the scope laid down in article 6 of these articles of association and used for the service and common use of the members of the association.
2. Where applicable, the buildings and installations constructed on land owned by the association shall also be considered common elements and their ownership shall correspond to the association.
3. No member of the association may carry out work on the common elements, even though the said work is in the interest of all concerned, without the prior and express authorisation of the General Homeowners' Meeting. In the case of urgent need, the chairman of the association shall decide on the measures to be adopted without prejudice to the submission thereof for subsequent ratification or rejection by the General Homeowners' Meeting.
4. Should whatsoever work or improvement be carried out without the due authorisation, the resulting damages shall be on the exclusive account of the person carrying out the said work or improvement and the benefits, where applicable, shall be for all the members of the association, without the obligation to pay whatsoever indemnification to the former.
5. All the members of the association, as well as the persons living with them or who permanently occupy the homes or whatsoever property with the authorisation of the owners, shall have the same rights to use whatsoever elements of property in accordance with the corresponding purpose. The exercise of this right shall conform to the provisions laid down in these articles of association and to the agreements validly adopted by the governing bodies of the association.

Chapter 2. Insurance and third-party civil liability

Article 15. Insurance and third-party civil liability

1. The civil liability of the owners with regard to third parties shall be distributed among the homeowners in proportion with their quotas of the common property. In the particular case of fraud, liability or negligence attributable to one of the homeowners, the said fraud, liability or negligence shall be attributed exclusively to the said homeowner.
2. The common property shall be insured against risks with an insurance company of renown and the premiums shall be paid on the account of the common fund, where the corresponding amount shall be distributed among the homeowners in proportion with their respective quotas. The conditions of the insurance shall be contracted with the broadest of powers by the chairman of the association.
3. Each homeowner may sign an individual insurance policy or shall become his/her own insurer in the case of damages whose cause or origin lies in his/her private property.
4. In the case of accident, the indemnification paid in accordance with a general policy shall be collected by the administrator and deposited in a bank. Should the accident affect only one part of the owners, the indemnification shall be used to repair the affected areas. Should the amount be sufficient, the repair shall be carried out on account of the common funds and, should the cost of the repair be greater, the excess shall be deposited in the bank.

TITLE III. GOVERNING BODIES OF THE ASSOCIATION

Article 16. Governing bodies

1. The governing bodies of the association are as follows:
 - a) The General Homeowners' Meeting.
 - b) The chairman and where applicable, the vice-chairmen.
 - c) The secretary.
 - d) The administrator.
2. All the members of the association shall be obliged to comply with the agreements adopted by the governing bodies of the association, without prejudice to the corresponding appeals and claims.

Chapter 1. The General Homeowners' Meeting

Article 17. Nature

The General Homeowners' Meeting is the supreme body of discussion of the association and shall be composed of the chairmen or persons specially designated for said purpose by each particular association of the independent plots constituted in accordance with the condominium system (ordinary or segregated).

Consequently, the number of persons authorised to attend the General Homeowners' Meeting shall be equal to the number of plots in the complex that are considered as private elements (not common elements).

Article 18. The ordinary General Homeowners' Meeting

1. The ordinary General Homeowners' Meeting shall take place once a year.

2. In the months of November or December of each year, there shall be a session to examine the ordinary management and adopt, where applicable, the report and accounts corresponding to the previous year and the budget prepared for the following year.

3. It shall also be possible to adopt whatsoever agreements that may correspond to the General Homeowners' Meeting as long as they are included on the corresponding agenda or the urgency of their notification and resolution is previously declared when all the members of the association are present or represented.

4. Only the matters on the agenda shall be considered and resolved, where the agreements adopted on other matters, where applicable, shall not be valid.

5. The ordinary General Homeowners' Meetings shall be held in Spanish with a simultaneous translation into the two main languages of the non-Spanish homeowners.

Article 19. The extraordinary General Homeowners' Meeting

1. Whatsoever Homeowners' Meeting not indicated in the previous article shall be considered an extraordinary meeting.

2. The extraordinary Homeowners' Meeting shall be held when the chairman of the association considers it appropriate for common interest or when the said meeting is requested by one quarter of the homeowners or a number of homeowners representing at least twenty five percent (25%) of the total quotas of participation by means of registered letter addressed to the chairman of the association indicating the matters to be discussed in the request.

3. The call to meeting shall be made by the chairman and, failing that, by those requesting the meeting, indicating the matters to be discussed, the place, date and time of the first and, where applicable, second call, including the notifications to attend the meeting laid down in section E) of article 11 of these articles of association and article 9 of Act 49/1960.

4. Whichsoever homeowner may ask the General Homeowners' Meeting to study and decide on whatsoever matter of interest to the association. To do so, he/she shall send a letter clearly specifying the matters he/she wishes to be discussed to the chairman, who shall include them on the agenda of the next meeting.

5. Only the matters on the agenda shall be considered and resolved, where the agreements adopted on other matters, where applicable, shall not be valid.

6. The extraordinary General Homeowners' Meetings shall be held in Spanish with a simultaneous translation into the two main languages of the non-Spanish homeowners.

Article 20. Rights to attendance

1. The General Homeowners' Meeting may be attended by the natural persons and representatives of the artificial persons that own independent plots in the complex, the chairmen of the ordinary or segregated condominium associations constituted by plots in the complex or the persons specially designated by the said associations for the corresponding purpose, with the limitations and requirements laid down in these articles of association.

2. The members of the association who own independent plots that are not up-to-date with the amounts due may attend the meetings with the right to speak but not to vote, as laid down in article 15.2 of the Condominium Act.

3. Each of the independent plots on the complex shall be represented by one single person at the Homeowners' Meeting, for the purpose of which the following rules shall apply:

3.1 Independent plots:

A) Single owner:

a) When the ownership corresponds to a natural person, he/she shall exercise his/her right himself/herself or by proxy designated by virtue of a written document which may be private and not public and signed by the owner.

b) If the ownership corresponds to an artificial person, the said artificial person shall designate, in accordance with its own articles of association, a representative, demonstrating the said circumstance by a notarial document indicating the corresponding internal system and representation.

B) When the ownership corresponds to several persons due to the fact that the property belongs jointly to them, the right to attendance shall correspond to the co-owner designated by virtue of the provisions laid down in article 11 G) of these articles of association.

3.2) Plots under the ordinary or segregated condominium system.

Their representation shall correspond to the chairman of the plot association or, where applicable, the person specifically designated by the association in question to represent it at the General Homeowners' Meetings.

In whatsoever case, the number of persons authorised to attend the General Homeowners' Meeting shall be equal to the number of plots in the complex that are considered as private elements (not common elements).

Chapter 2. Competences

Article 21. Competences of the General Homeowners' Meeting

The following competences correspond to the General Homeowners' Meeting:

A) The adoption of the reports and accounts corresponding to each year.

B) The adoption of the economic budget for each year.

C) The designation of the chairman, vice-chairmen and secretary.

D) The adoption of the execution of extraordinary work and improvements required for the fulfilment of the association's purpose, as well as the establishment of the economic means required for their finance and the form and terms for collecting the contributions from the members for the said purposes.

E) The adoption of extraordinary economic payments for expenses not included in the annual budget.

F) The dismissal of the chairman, vice-chairmen and secretary and the designation of their substitutes until the formal renovation thereof.

G) The adoption of the modification of the association's articles of association.

H) The decision on the transfer of the association's address subject to the provisions laid down in these articles of association.

I) Knowledge of and decision on the matters of interest for the homeowners' association.

Chapter 3. Call

Article 22. Call

1. The Homeowners' Meeting shall be called by the chairman of the association with a minimum of seven days' notice before the date on which the meeting is to be held. The call shall be made indicating the matters to be discussed, the place, date and time at which the meeting shall be held in accordance with the first or, where applicable, second call, which may be for the same day and place, as long as a period of half an hour has passed since the first call. The notifications of the meeting shall be sent as per section E) of article 11 of these articles of association and article 9 of Act 49/1960.

2. The notification shall be sent by registered letter or by hand at the corresponding address in accordance with the provisions laid down in section E) of article 11 of these articles of association or, failing that, the address used for previous calls to meeting.

3. The extraordinary Homeowners' Meeting held at the request of members of the association as per the provisions laid down in article 19.2 of these articles of association shall be called by the chairman of the association within the period of 10 days after the corresponding requirement. If the chairman does not call the meeting within the said term, those requesting the meeting may do so within the following 10 days. The meeting shall be held between the 30th and 45th day following the said requirement.

Article 23. Constitution

1. The Homeowners' Meeting shall be validly constituted at the first call when it is attended personally or through representatives by the majority of the members of the association who have the right to attend as per article 20, representing, in turn, the majority of the quotas of participation.

2. At the second call, the Homeowners' Meeting shall be validly constituted whatsoever the number of attendees and quotas of participation represented thereby.

3. Notwithstanding the foregoing, the meeting may be validly held without the corresponding call as a universal Homeowners' Meeting when all the members of the association are present or represented and unanimously decide to hold a meeting.

Chapter 4. Adoption of agreements

Article 24. Adoption of agreements

1. The chairman of the general association or his/her substitute shall chair the meeting, direct the debates and declare the matters sufficiently considered, calling a vote on the agreements where applicable. The secretary or, in his/her absence, the person designated by the chairman shall act as the secretary.

2. In whatsoever case, the agreements shall be adopted by simple majority of the quotas of participation present and represented, where each attendee shall cast one single vote and, where applicable, one vote for each duly accredited representation, whose value shall be calculated in accordance with the corresponding right as per the provisions laid down in article 12 of these articles of association.

3. The agreements that imply the modification of the regulations laid down in the deed of constitution of the condominium or in the association's articles of association shall be valid only if they are adopted unanimously by all the members of the association as laid down in law.

4. The agreements adopted by the homeowners' association shall be immediately executive as long as they have been adopted in accordance with the provisions laid down in these articles of association and Act 49/1960. They shall also be mandatory for the members who have not attended and those disagreeing therewith, without prejudice to the legal procedures that may be considered in accordance with the provisions laid down in Title V of these articles of association.

Article 5. Minutes and certificates

1. The minutes shall be drawn up for each Homeowners' Meeting, clearly and succinctly recording the agreements adopted and the result of the voting, as well as the other requirements laid down in article 19 of the Spanish Condominium Act. They shall be prepared in Spanish and translated into the four main languages of the homeowners. The minutes shall be closed with the signatures of the chairman and the secretary on the completion of the meeting and within the following 10 calendar days. As from their close, the agreements shall be executive unless otherwise laid down in law.

2. The said minutes, written in Spanish, shall appear in the corresponding Minutes Register, which shall be authorised by the signatures of the chairman and the secretary of the association.

3. Certificates of the content of the association's Minutes Register, which shall be presented in folios, bound and stamped by the Property Register, shall be issued by the secretary, with the chairman's approval, at the request of whichever member of the association.

Chapter 5. The chairman

Article 26. Appointment and functions

1. The chairman shall be appointed from among those attending the meeting by election or, in a subsidiary manner, by turn or draw in accordance with the provisions laid down in article 13.2 of Act 49/1960.

2. The chairman shall have the broadest powers of management and representation of the association, without more limitations than the requirement to submit to the information and decision of the Homeowners' Meeting the affairs reserved therefore, signing for the said purpose the documents and contracts considered necessary and appointing whatsoever commissions, and administrators, representatives and employees he/she considers necessary.

3. The specific functions of the chairman shall be as follows:

A) To execute the agreements adopted by the Homeowners' Meeting.

B) To administrate the association's funds, formalising the report and accounts corresponding to each year, which shall be submitted to the Homeowners' Meeting.

C) To order the provision of the services laid down in article 5 of these articles of association.

D) To adopt, within the framework of the association's competences, the measures required to regulate the use and appropriate operation of the basic services and installations in the action area.

E) To expressly and officially authorise whatsoever activity, whether temporary or permanent, on the common elements of the association.

F) To decide on the relevance of legal, administrative, contentious-administrative actions and actions of whatsoever kind in the defence of the association's interests, as well as to adopt the separation, transaction and abandonment of the corresponding procedures.

G) To monitor the exact fulfilment of the regulations laid down in these articles of association and whatsoever agreements adopted by the governing bodies of the association.

H) To resolve, in arbitration, the matters submitted by the members of the association.

I) To make and require payments, the collection of payments and settlements, whatever their legal cause and creditor or person obliged.

J) To constitute and withdraw deposits of whatsoever kind in whatsoever bank, whether official or private; to open, monitor, cancel and settle savings accounts, current and credit accounts and withdraw from the said accounts the corresponding amounts; to sign receipts, cheques, promissory notes, stubs and other documents and to issue, endorse, guarantee, approve, accept, collect, pay, negotiate and challenge letters of exchange, promissory notes and other credit documents.

K) To set the amount and formalities of the economic contributions corresponding to the members of the association in accordance with the annual income and expenses budget for the quotas of participation corresponding thereto and to act against bad payers to collect the payment of the amount owed.

L) To propose to the Homeowners' Meeting, where applicable, the transfer of the association's address and to notify the said change to the members thereof.

M) To appoint and separate administrative and working staff to the service of the association and set their payment and timetable and duties.

N) To notify all the members of the association by means of circulars sent at least every six months of his/her work, the association's activities and whatsoever events, situations and aspects may be of interest for the owners. The said reports shall be prepared in Spanish and translated into the four main languages of the homeowners.

O) To call, chair, suspend and interrupt the Homeowners' Meetings. To direct the discussions during the meetings, making use of the powers which, by way of example and not limited to, are as follows: to award and remove the chair during the discussions, to establish the turns and maximum times for interventions, to consider the matters submitted to debate as sufficiently discussed, to limit new interventions on the said matters, to warn speakers should they fail to accept the chairman's instructions and to determine the expulsion from the meeting of those who do not heed the said warnings with the assistance, where necessary, of the security personnel. All in accordance with the appropriate and orderly development of the meetings. In the case of a draw in the voting, he/she shall decide with his/her vote.

P) To represent the association and its governing bodies in judicial and extrajudicial matters, with the power to bestow all powers on lawyers and solicitors for judicial representation and direction in the exercise of the said representation.

Q) To authorise the minutes of the Homeowners' Meetings, the certificates issued and whatsoever documents requiring the said authorisation.

R) Whatsoever other functions related to the purpose of the association that are not attributed to the Homeowners' Meeting.

3. The chairman may delegate part of his/her attributions and faculties to a permanent commission made up of one or more persons, assisted by the administrator of the association.

4. In his/her absence, he/she shall be substituted by the vice-chairman.

Chapter 6. The secretary

Article 27. Appointment and functions

1. The secretary shall be appointed by the Homeowners' Meeting and shall carry out the following functions:

A) To attend the Homeowners' Meetings.

B) To prepare the minutes of the Homeowners' Meetings in Spanish and write them in the association's Minutes Register.

C) To notify the members of the association of the agreements adopted by the Homeowners' Meeting.

D) To issue certificates of the contents of the Minutes Register with the chairman's approval.

E) Whatsoever functions inherent to his/her post or delegated by the chairman.

2. In his/her absence, he/she shall be substituted by the administrator.

Chapter 7. The administrator

Article 28. Appointment and functions

1. The Homeowners' Meeting shall appoint an administrator, who may be a natural or artificial person.

2. The post shall be a paid post and it shall be the competence of the chairman to establish the fees and terms and conditions of contract.

3. By way of example, the administrator shall have the following functions:

A) To administrate and keep the books corresponding to the association's economic and financial activities based on generally accepted accounting principles, assuming responsibility for all the administrative procedures as required.

B) To keep a book-register with a list of all the members of the association, indicating their names, surnames, addresses, dates of incorporation, buildings and plots of land owned, quota of participation and whatsoever circumstances considered relevant.

C) To act as manager of and control the administrative and other employees at the service of the association and to deal personally and contractually with the contractors thereof without prejudice to the higher powers of the chairman.

D) To make the payments, collections and settlements ordered by the chairman.

E) To attend the Homeowners' Meetings with the right to speak but not to vote.

F) To propose to the chairman the adoption of the measures required for the optimum fulfilment of the association's purposes, preparing the corresponding proposals, work programmes and priority undertakings.

G) To guide the maintenance and conservation of the common elements and elements of public use and domain in the action area, together with the appropriate provision of services within the competence of the association.

H) To keep the association's documentation.

I) To prepare budgets and reports with the submission of accounts.

J) To receive queries and suggestions from any member of the association.

K) In general, all the functions entrusted to him/her by the chairman or the Homeowners' Meeting.

TITLE IV. ECONOMIC SYSTEM

Chapter 1. Financial year, budgets and accounts

Article 29. Financial year

The financial year shall begin on the first day of January of each year and shall end on 31 December.

Article 30. Budget

1. In the second half of each financial year, the chairman shall prepare the provisional budgets for the following financial year, choosing the most appropriate presentation formulas for the said purpose at any given time. The budget shall indicate ordinary and extraordinary items, as well as items that are planned over several years, determining the source of the funds and their application for the corresponding balance, applied as owners from the first day of each year.

2. The said budgets shall be prepared in Spanish and translated into the four main languages of the homeowners.

3. The extraordinary Homeowners' Meetings may also adopt special and complementary budgets as required and, consequently, they shall be added to the annual budget to be liquidated at the close of the year in which they are applied.

4. In urgent cases, the chairman may adopt unforeseen expenses up to the limits of five per cent (5%) of the annual budget, notifying the said circumstance during the first Homeowners' Meeting held. The variations in expenses resulting from legal provisions shall be attended by the association and also notified in the following Homeowners' Meeting.

Article 31. Annual Accounts

1. Every six months, the administrator shall draw up a balance sheet and an income and expenses statement, which shall be related to the accumulated budget to date and approved by the chairman. At the end of each financial year, the statements shall be examined by auditors, when appointed by the homeowners' association,

without prejudice to examination by each member of the association during the seven days prior to the ordinary Homeowners' Meeting.

2. The ordinary Homeowners' Meeting shall adopt, fully or partially, the aforementioned financial statements, as well as the activities corresponding to the administration of the association's funds.

3. The annual accounts shall be kept and prepared on the basis of generally accepted principles as defined within the framework of accounting legislation.

4. The annual accounts shall lead to the quotas to be paid by the homeowners in accordance with the percentages laid down in article 12 of these articles of association, quotas that shall be issued in advance every six months or, where applicable, as frequently as indicated by the Chairman.

5. In the case of surplus, the Homeowners' Meeting shall decide whether to increase the reserve fund or transfer it to the following financial year, deducting the amount from the annual budget. In the case of deficit, the Homeowners' Meeting shall decide whether to cover it using the reserve fund or to make an independent payment.

Chapter 2. Income and expenses

Article 32. The association's income

The association's income shall be as follows:

A) The provisions made by the members of the association on the basis of the ordinary and extraordinary quotas resulting from the budgets adopted by the Homeowners' Meeting.

B) The profits from the services and installations of common use that may be constituted in accordance with the purpose and competence of the association.

C) The amount corresponding to tax benefits for the association.

D) The amount corresponding to the subsidies, donations, lucrative transfers, etc. obtained.

E) Whatsoever other resources not laid down in the above sections which may be attributed to the association.

Article 33. The association's expenses

1. All the expenses arising in the association as a consequence of the purpose thereof and its action area and within the budgetary framework laid down in article 30 above shall be paid by the members of the association as per article 9 on the basis of their quotas of participation as per the criteria laid down in article 12.

2. By way of example, the association's expenses shall be as follows:

A) Execution of the work agreed by the association's governing bodies in fulfilment of the purpose thereof.

B) Conservation and maintenance of the elements and services laid down in article 5 of these articles of association.

C) Conservation and maintenance of the common services, installations and elements.

D) The salaries corresponding to the association's staff.

E) Whatsoever expenses resulting from the fulfilment of the association's purpose.

Chapter 3. Payment and collection of quotas

Article 34. Breakdown and payment of quotas

1. The quotas of participation laid down in article 12 above constitute the determining module of the members of the association's obligation to contribute to the expenses thereof, without prejudice to their function as criteria for attendance and the taking of decisions at the Homeowners' Meeting.

The quotas shall apply to the individual owners of buildings and plots of land, including co-ownerships, representing the total number of members of the association.

2. On indicating the economic contributions which, in accordance with their respective quota of participation, shall be paid by the members of the association in accordance with the economic requirements adopted by the Homeowners' Meeting, the chairman shall determine the form and conditions of payment thereof, where none of the aforementioned members may refuse to pay by waiving the use of the urban infrastructures common services, facilities and installations of both public use and domain and common to the action area.

Article 35. Collection of payments

1. Failing the express agreement, the economic contributions or quotas that are to be paid by the members of the association shall be collected in advance every six calendar months, in accordance with the requirements of the annual budget. The payment of the corresponding amount shall be verified within the term of 15 days after the reception of the requirement of the payment.

2. Accordingly, the association's administrator shall issue a receipt for the amount corresponding to the six-monthly contribution. The notification of or requirement to payment shall be sent to the bank indicated in accordance with the provisions laid down in section F) of article 11.

3. The non-payment by whatsoever person obliged to do so in the corresponding term shall lead to the situation of delayed payment corresponding to the contribution for each six-month period.

4. Payment after the indicated term shall include, without the need for prior requirement, a surcharge for delay applied to the amount owed corresponding to 20% plus an interest rate equal to the legal money rate increased by two points until the effective payment of the amount owed.

5. Once the term for the payment of the quotas or the return of the receipt by the bank has passed, the member in debt shall be reliably notified via registered letter or personal notification and given a maximum term of 10 days to make the payment of the amount owed together with the interest and surcharge for delay. Should he/she not make the payment, the chairman or administrator, if so adopted by the Homeowners' Meeting, may require the said payment judicially through small debts proceedings as laid down in article 21 of Act 49/1960.

6. In whatsoever case, the bad payer shall be responsible for the judicial and extrajudicial costs that may arise, including the fees of lawyers and solicitors, even though their intervention were not official.

7. The payment by the association of economic obligations corresponding to one or more members thereof as a result of the non-fulfilment of their respective obligations shall award the entity sufficient authority to file the corresponding claim in the courts.

8. The owners who do not pay their quotas and become legally established debtors in accordance with these articles of association shall lose whatsoever rights they may have in accordance with the aforementioned articles and shall not have the right to vote on any of the matters discussed in the Homeowners' Meetings.

TITLE V. LEGAL SYSTEM

Article 36. Term of the articles of association

1. Once they have been definitively adopted by the Homeowners' Meeting, these articles of association shall be mandatory for all the members of the association.

2. The regulations laid down in these articles of association shall be mandatory and their purpose is to regulate the rights and obligations of the owners of the property included in the action area defined in article 6 above, as well as the regulations of government and administration and the economic and legal system of the association.

Article 37. Execution

1. The agreements adopted by the Homeowners' Meeting shall be executive and mandatory for the members of the association from the signing of the minutes of each meeting, as laid down in article 19.3 of Act 49/1960, except when otherwise indicated by law.

2. The objection of the agreements adopted by the Homeowners' Meeting shall not suspend their execution unless so dictated by a judge at the request of the claimant once the homeowners association has been hurt.

Article 38. Resources

1. The agreements adopted by the Homeowners' Meeting may be the subject of appeal in the courts in accordance with the provisions laid down in procedural legislation in the following cases:

A) When they are against the law or these articles of association.

B) When they are seriously damaging for the interests of the association in benefit of one or more homeowners.

C) When they represent serious damage for a homeowner who does not have the legal obligation to accept the said damage or when they have been adopted in abuse of law.

2. The homeowners who have not voted in the meeting, those absent for whatsoever cause and those unduly deprived of their right to vote shall be authorised to appeal against the agreements adopted by the Homeowners' Meeting.

3. In order to appeal against the agreements, the homeowner shall be up-to-date with the full payment of his/her debts or shall consign the said debts as laid down in article 18.2 of Act 49/1960.

4. The action shall expire three months after the adoption of the agreement by the Homeowners' Meeting unless otherwise indicated in law.

TITLE VI. DISSOLUTION OF THE ASSOCIATION

Article 39. Extinction

1. The condominium system shall be extinguished as a result of the destruction of the estate. The said destruction shall be considered as complete when the cost of the reconstruction exceeds 50% of the value of the estate at the time when the accident occurs or by conversion into ordinary ownership or co-ownership in accordance with the provisions laid down in the Spanish Condominium Act.

ADDITIONAL PROVISIONS

1. All the circumstances not laid down in these articles of association, the provisions laid down in the Spanish Condominium Act and Civil Code shall apply in a subsidiary manner.

2. In the partial plan LA TORRE GOLF RESORT, there is an installation for the supply of electricity and liquid gas, with a distribution grid to mains stopcocks or meters and other accessories for the correct operation thereof, as well as telecommunications networks. The supplies are provided by the companies "IBERDROLA S.A." and "REPSOL BUTANO, S.A." and "POLARIS TELECOM, S.L.", which are hereby given the right to enter the plots in the sections through which the conduits that make up the distribution grids and networks are laid for the purposes of maintaining and running the installations.

Similarly, easement is hereby awarded in favour of the company "POLARIS GARDEN, S.L." throughout the entire property complex, including the private gardens of all the homes, the apartment blocks and terraced houses for the purposes of maintenance work on the irrigation network of the complex.

TEMPORARY PROVISIONS

1. INITIAL ORGANISATION OF THE ASSOCIATION

Given the need for the immediate and peremptory appointment of a legal representative of the association, the developer "LA TORRE GOLF DEVELOPMENT, S.L." shall assume the condition of chairman, secretary and administrator of the association for a maximum period of five years from the date on which the deed of constitution of the property complex is signed.

The said company shall carry out the posts through whichsoever of its legal representatives or may delegate the said functions to whichever of the homeowners or other professionals, where applicable and considered appropriate, as well as revoke the said delegations.

During this period of time, it shall be given the broadest of powers to sign, on behalf of the association, all kinds of documents and contracts (including property, services and supply contracts) and the planning agreements or agreements of whatsoever other nature with the public administrations with which it may have contact and, in particular, with the local authorities.

After the agreed maximum term or beforehand, should the chairman of the association consider it appropriate, the General Homeowners' Meeting, duly called and constituted, shall appoint the corresponding posts.

2. PROXY

In the hypothetical case of the future constitution of an "urban entity for the conservation of the partial plan LA TORRE GOLF" which assumes the management of all the elements and services laid down in these articles of association, including those of public domain, the current owners of the elements that make up the complex and the successive buyers, due merely to their condition as such, hereby BESTOW AN IRREVOCABLE POWER, given its contractual nature, in favour of "LA TORRE GOLF DEVELOPMENT, S.L." so that, through its legal or voluntary representatives, with administrative powers, whatsoever their limits, where applicable, may carry out whatsoever procedures as required and sign whatsoever public or private documents as necessary for the constitution of the aforementioned entity and its registration in the corresponding administrative register, including additional and modifying documents.

This power shall be understood as automatically bestowed by the parties who, in the future, acquire real rights over the elements that make up the partial plan by virtue of the mere acquisition thereof.

In Torre Pacheco, on 28 November 2004.