

Residence

**Villa Portalupi called “Le Contessine”
37067 Valeggio sul Mincio (Verona)**

CONDOMINIUM REGULATIONS

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Art. 1 OBJECTS OF SHARED PROPERTY AND GOODS FOR SHARED USE

Object of shared property for all the co-owners are the parts of the building contemplated at article 1117 of the Civil Code and in particular:

- the open area of the entire building complex, registered at the Building Cadastre of the Municipality of Valeggio sul Mincio (Verona), mapping number of square metres , mapping number of square metres excluding the areas assigned in property or for exclusive use that shall be, however, subject to the specific norms of these regulations;
- the main entrance hall, the secondary ones, the landings and internal stairways of the building up to the entrance doors for each flat; all as indicated in the approved restructuring project;
- the garage lane, including the access ramp, the stairs and the common exit room, the air inlets and the light wells even of the single garages;
- the access lane for the external car parking spaces;
- the networks for the sewers and drains, the water duct for domestic and irrigation use, electric cables for bells, buzzers, external lighting, telephone and TV falling both outside and inside the building, the use of the latter is share by at least two co-owners;
- the centralised or single aerials, placed both on the roofs and fronts;
- the hedges, plants and fixed or mobile works that are existing or shall be made or placed by the condominium on the shared areas or as a demarcation or separation of private areas.

It is also decided that the following are considered as of shared use for the entire building complex for the purpose of aesthetic and functional maintenance and therefore for the ordinary and extraordinary maintenance and preservation:

- the external areas assigned in ownership or for the exclusive use to the single co-owners;
- the surrounding and supporting perimeter walls, the carriageable, pedestrian access doors, and the access doors to the single flats of the entire residential complex both internal and external;
- the roofs, including the external connections of windows, roofs, chimneys, eaves and waterspouts;
- the external walls, including niches, balconies, external stairs and shutters;
- the owned parking spaces or for the exclusive use of the single real estate properties.

Art. 2 – RIGHTS OF THE CO-OWNERS FOR THE SHARED PROPERTY OBJECTS

The property right for each co-owner for things of which at the previous article, is expressed based on the proportional values and data of the single properties and prearranged agreements to which the thousandths correspond as indicated in the following separate table under “WING A”, “WING B”, “WING “C”.

No co-owner shall undertake works or introduce servitude of view or of other kind or anyhow modify the shared property or shared use parts without consent of the other co-owners. This consent shall be granted by deliberation of the

meeting and according to article 1120 of the Civil Code.

The administrator shall provide to the expenses for use and improvement of shared objects according to the modalities and limits of these regulations.

Art. 4 – MAINTENANCE – INSPECTION – WORKS IN PRIVATE PROPERTIES

Each co-owner is obliged to carry out, in the areas under his ownership, those repairs that could damage the other co-owners if not executed or that could compromise the stability, the uniformity of the outside and of the shared internal parts as well as the building's decorum.

If a co-owner carries out works in his property and that involve the building's stability and architectonic aspect, before starting the works he shall send a communication to the administrator who shall summon the meeting for the necessary deliberations.

If works or repairs are carried out on objects belonging to the common property or use falling in the particular properties, the involved co-owner, prior to notice by the administrator, shall allow inspections and execution of the works, except for right to compensation for damage.

Art. 5 – CONTRIBUTION TO THE EXPENSES AND SERVICES OF GENERAL INTEREST

The expenses for the maintenance and preservation of the common works, as well as those for common services, divided according to the tables of art. 2, are mandatory for all the co-owners and therefore no one can avoid their payment, not even by means of withdrawing from the co-ownership of the aforesaid objects.

All the co-owners alike shall contribute, always according to the tables of article. 2, to the expenses necessary for the maintenance and repairs of the sewages, the water discharge pipes, aqueduct, gas, electric cables, bells, buzzers, external lighting, telephone, and television, as well as the costs reflecting the aesthetics and the preservation of the building, the insurances, the administration and works of innovation of a general nature regularly approved by the Meeting.

The amounts owed shall be paid in advance to administrator once the meeting has deliberated.

Even the costs of maintenance and repair of the perimeter and surrounding walls, external and internal facades, access carriageable and pedestrian gates, external and internal stairs and landings up to the entrance doors of the flats, the latter including, shutters, roofs, gutters and downspouts of all the buildings, will be distributed among the owners in reason of property thousandths, except for cases of repairs of damage caused to the things of common ownership or the goods for common use of single condominiums, for which the administrator shall provide to dispute the charge and assign the expense.

Art. 6 – PARTICIPANTS SHARES

The expenses of common interest for the owners of the units constituting the complex of the condominium building shall be divided according to the general tables referred in article 2.

The co-owner shall notify the administrator on his domicile otherwise the domicile considered shall be the his property by means of these regulations.

The co-owner that does not occupy the owned premises personally is held to communicate the name of his tenants to the administrator and to communicate any change of names within the term of 10 days from the beginning of the new lease.

In the event of a transfer of property, besides the obligations by law, he is held to:

- a) communicate the personal information of the new owner to the administrator
- b) inform the new owner on the content of these regulations that shall be included in the transfer deed;
- c) transfer his co-ownership of the reserve funds to the new owner for the extraordinary expenses concerning the systems. Until the transfer of property is not reported, the vendor and cessionary shall jointly and severally observe these regulations.

Art. 8 - DIVISION

Should more owners take the place of an old owner due to inheritance or for other legitimate reason, those involved that show an authentic copy of the deed to the administrator. If divided in more units according to the enforced laws on building, the thousandths that were originally assigned to the property shall be divided in agreement with the administrator as well as sharing the reserve fund shares.

Art. 9 - REPRESENTATION AND ADMINISTRATION ORGANS

The representation and administration organs of the condominium are: the administrator, the co-owners' council and the meeting.

Art. 10 - ADMINISTRATOR - NOMINATION

The Administrator is appointed by the meeting and can be chosen even among those not belonging to the condominium, the office has a duration of a year but can be revoked by the meeting for a right cause at any time.

The administrator who has resigned or revoked has the obligation to be accountable for his management and shall, in any case, consign all the administration documents and records to his successor, and, if not present, to the condominium meeting within 30 days from communicating the resignation or revocation regardless of any dispute in course underway with the condominium.

Art. 11 – FUNCTIONS AND DUTIES OF THE ADMINISTRATOR

The administrator shall provide to the expenses for ordinary custody, cleaning, illumination on the building's outside area, garage lanes and stairways, as well as the expenses in general for the functioning of common services including the supplies of electricity, aqueduct, etc. and for the ordinary maintenance of the common external area and of the private ones or those with exclusive use. To the purpose, the administrator draws up a budget for the necessary expenses and to share the expenses between the co-owners, based on the thousandths' tables, preparing a specific instalment prospect thus determining the amount and deadlines for the instalments to be paid.

This budget and the relative divisions and instalments shall be submitted to the examination and approval of the meeting that makes the payment of the instalments mandatory for all condominiums at the arranged deadlines.

The administrator shall provide also to implement the decisions of the meeting and ensure the compliance with the regulations; to the collection of contributions, incomes, allowances and the insurance of the common parts or common used parts, to the payment of the costs within the deadlines; the surveillance of the gardener; the actions that aimed at the preservation of rights.

Dismissing or hiring the gardener is requested to the administrator upon agreed opinion by the meeting.

The administrator cannot order extraordinary repairs except if urgent and imperative, without prejudice to the obligation to summon the meeting as soon as possible to ratify should the expense exceed the limit of € 200,000.00 increasable up to €. 500,000.00 having heard the opinion of the co-owners council. At the end of each year the administrator shall give an account of the management to the meeting.

For supplies, even ordinary, exceeding €. 200,000.00 the administrator shall submit to the condominium meeting at least three budgets, based on which the supplier shall be chosen. The councillors, if they consider it opportune, shall submit other budgets for an attentive exam of the technical and qualitative characteristics of the supply.

Art. 12 – CLOSING OF THE FINANCIAL YEAR

The financial year ends each year on 31st December. The administrator shall submit the balance sheet, the division plan for incurred costs and the statement for the reserve funds referred to in art. 15, fifteen days before the date of summoning of the ordinary general meeting that shall approve them sending a copy to all 7 co-owners together with the notice summoning the meeting. This meeting shall take place within 15th February of each year.

From the plan for the division of incurred expenses, keeping into account the sums paid in during the financial year, the credit and debit amounts shall be indicated for each co-owner.

With the approval of the final balance, the statement for the reserve funds, and the division plan for incurred costs, each co-owner, even if disagreeing, is obliged to pay the residual share within twenty days from the notice sent by the administrator.

Art. 13 – DISCIPLINES FOR COMMON SERVICES

The administrator establishes, having heard the condominium meeting, the norms and times for common services. The norms given out by him according to his powers are mandatory for the co-owners except when the co-owner that considers himself to have endured damage appeals to the meeting. All complaints referred to the use of common things shall be communicated to the administrator in writing and not by telephone.

Art. 14 – DEEDS AND DOCUMENTS FOR THE CONDOMINIUM'S ADMINISTRATION

The administrator shall keep:

- a registry for the minutes;
- the daybook for debits and credits;
- the list of owners with their names and indication of the addresses and residences if they do not live in the building on a steady base;
- the details of the purchase title or of the assignment for each co-owner;
- a planimetric type for the flats, offices, common areas, sewer systems and various services; a list of the mobile items with shared ownership.

Art. 15 – RESERVE FUND

To provide to the extraordinary maintenance works and other special and unpredictable needs, the meeting, upon approval of the budget, or, in case of need, during extraordinary general meetings, will discuss the payment of shares intended to build up a reserve fund for each category of expenses provided for in art. 5.

The administrator of the reserve fund shall be someone other than that of the common fund.

Art. 16 - WITHDRAWALS

The withdrawals from the common fund shall be made by the administrator. The withdrawals from the common fund may not be made if not deliberated by the meeting.

Art. 17 – LEGAL REPRESENTATION OF THE CONDOMINIUM

The administrator has power of attorney and the representation of the condominium by means of article 1131 of the Civil Code.

Art. 18 – CONDOMINIUM COUNCIL

The condominium council comprises two members. These members are elected by the meeting and stay in office for a year. The condominium council is the administrator's consultation organ. The administrator shall inform the

council on the developments of the condominium and consult it whenever particular issues occur or when necessary to take measures of a certain importance. The council, that replaces the administrator in the event of a temporary absence, is also assigned with the technical-accounting-administrative control for the condominium's management. Finally, the condominium council has the task of making every effort to resolve any divergence between co-owners in relation with the condominium management.

Art. 19 – THE MEETING

The ordinary meetings take place no later than four months after the closing of the financial year and extraordinarily when the administrator deems it necessary and within 30 days from the date of a written request motivated by at least two members of the condominium that represent 1/6 of the value of the building. The meetings are summoned by the administrator or, otherwise, by at least two co-owners by means of registered letter delivered by hand or by mail with notice of receipt, the notice shall be sent at least 8 days before the date set for the meeting's first summoning. The notice shall include the place, day and time of the meeting in first and second summoning as well as the agenda with the topics to be submitted to deliberation by the meeting.

Art. 20 – MEETING'S PRELIMINARY FORMALITIES

Those summoned to the ordinary and extraordinary meeting appoint a president each time choosing from the condominium participants excluding the administrator. The president appoints a secretary of the meeting that can also be the administrator.

Art. 21 – RIGHTS OF VOTE AND PROXY

Each co-owner has the right to be represented in the meeting by another person even extraneous to the condominium who is not the administrator, by written proxy, that shall be affixed at the bottom of the summoning notice. Each participant in the meeting cannot have more than two proxies. Should a share of the condominium belong to more people as an undivided property, these have the right to a representative in the meeting that shall be appointed by the parties involved, otherwise the president shall provide to this by means of a draw.

Art. 22 – VALIDITY OF THE MEETING'S CONSTITUTION

The meeting is regularly constituted when as many co-owners are present as to represent 2/3 of the value of the whole building (666 thousandths or 8/12). Deliberations are valid with a number of votes representing the majority of those attending. The meeting in second summoning deliberates on a day following the date of first and in any case no later than 10 days from it. The deliberation is valid if it reports a number of voted representing 1/3 of the building's value (333 thousandths or 4/12). The deliberations concerning the rules and the revocation of the administrator and the active and passive discussions relating to issues that go beyond the powers conferred to the administrator as well as the deliberations that concern the reconstruction of the building or important extraordinary repair works shall be made with the majority of those attending representing at least half the value of the building (500 thousandths or 6/12). The deliberations on innovations shall always be made with a number of votes representing the majority of co-owners representing 2/3 of the building's value (666 thousandths or 8/12).

The validity of the constitution of meetings is ascertained based on meetings' principles and is effective throughout the duration. The discussion of the issues on the agenda can be extended to the next day when they the co-owners have received a summoning notice, but the validity of the constitution of the meeting according to the above norms must be ascertained before resuming the discussion.

Art. 23 – MEETING MINUTES

The minutes are drawn up for the meeting that contains:

- the place, date of the meeting and the agenda;
- the name and surname of the co-owners that have participated with the indication of their shares in the condominium;
- the choice of the president, the secretary and the ascertainment of the meeting's regularity;
- a summarising report on the discussion, the text for the deliberations and of the voting with the indication of their result;
- the text of the declarations to be included in the minutes.

The deliberations made by the meeting are mandatory for all co-workers. The minutes shall be transcribed within 10 days in the specific registry and signed by the president and secretary and must be available to the co-workers at the administrator's office.

Art. 24 – DUTIES FOR THE MEETING

The ordinary meeting deliberates:

- on the nomination of the administrator, on the compensation and revocation;
- on any amendments to the regulation in keeping with the dispositions of article 1128 of the Civil Code;
- the statements, budgets and shares of which at articles 11 and 12;
- the allocation of management surpluses and of possible incomes from the common assets and extraordinary maintenance works, on the constitution of the reserve fund, for these and withdrawals. All books and documents that prove the management's yearly statement, the budget and final balance shall be made available to the co-workers so they can be checked during the five days before the ordinary meeting at the administrator's office.

Art. 25 – OBLIGATORINESS OF THE MEETING'S DELIBERATIONS

All the deliberations undertaken by the meeting and that have become definitive by means of the previous articles are mandatory even for the disagreeing minority and for those not attending unless for the right to oppose of which at article 1137 of the Civil Code.

Art. 26 – SEPARATION OF RESPONSIBILITIES AND ACQUIESCENCE IN JUDGEMENT

When the co-owners' meeting has deliberated to initiate a litigation or defend a claim, the co-owners that disagree by means of judicial deeds notified to the administrator within 30 days can separate their responsibilities for the consequences of the litigations for the acquiescent case. But for cases promoted against the condominium, they will have to deposit in the hands of the administrator, as a guarantee, their share of the amounts necessary for the fulfilment of the obligation subject to judgment. The disagreeing co-owner has right to compensation for what has been paid to the winning party. If the outcome of a litigation promoted by the condominium constitutes an advantage for the disagreeing co-owner, the latter is obliged to concur to the share ascribed for the expenses for the non repeatable litigation by the opponent.

Art. 27 – INTERNAL REGULATIONS

For the decorum, mutual tranquillity and the good condition of the residence, the following is arranged:

- a) It is prohibited to use the lodgings for asylums, singing, dancing and music schools, mechanic workshops, deposits of goods that release bad odours and in general whatever other use that can disturb the co-owners tranquillity. It is prohibited to use the areas as a doctor's parlour for diagnostic tests and the cure of infectious illnesses. It is

prohibited to intervene on common land and also on those that have ownership or exclusive use with installations or works of any kind, except for unanimous decision by the meeting for other uses that lawn or garden.

- b) It is prohibited to occupy spaces owned or of common use. The roof garden can be crossed only by pedestrians. The access lane to the garages cannot be used for parking and stops must be limited only for the time necessary. Anyhow, it is allowed to occupy common items when works must be carried out in the flats and premises of the single co-owners, in this case this occupation must be authorised by the administrator and limited to the space and time strictly necessary and indispensable and must not hinder the use of the objects by the co-owners.
- c) Pets are allowed as long as they do not disturb the co-owners in any way. Anyhow, the animals must be kept in the flats; they can be kept in the private green areas according to the modalities set by the administrator; they can circulate in the condominium area only if provided with a lead and they cannot stop there for hygiene and safety reasons.
- d) The tenants cannot throw garbage, waste, paper, cloths or other objects out of the window.
- e) It is prohibited to put washing out, display clothes and carpets or other out of the window, or keep shoes, brushes, various containers, bicycles, mopeds etc. out of the entrance door. Carpets, blankets and mattresses must be beaten from 8 to 9 a.m.
- f) For aesthetic reason, the outside of the residence must have the same objects and accessories, such as curtains at the windows and balconies, lights placed on walls, plates at the entrance doors etc. These must also be of the type decided by the meeting. An outdoor table with umbrella and chairs may be placed in the external areas of ownership or with exclusive use, during the period from 1st April to 30th September having characteristics and colours decided by the meeting.
- g) It is prohibited to deposit garbage and containers in the external spaces of ownership and exclusive use.
- h) These regulations are valid even for tenants who have to be informed by the owners on the fact that the administrator is held to ensure they observe the above dispositions and refer if they do not.
- i) In case of house moving, even partial, the co-owner is held to warn the administrator with whom an on spot investigation shall be made before and after moving the furniture to check for any damage on the common parts. If this notice has not been sent, the co-owner shall be held to compensate any damage, paying the invoice for all the works necessary to restore.

Art. 28 - SANCTIONS

For cases of breach of regulations or of the norms imparted by the administrator for common services, the administrator must invite the liable co-owner in writing to observe and make that they are observed.

If the invitation has no effect, after the elapse of 20 days, the administrator shall provide to having the norms abided by judicially.

After 60 days from the request of payment of the shares of which at article 11 and 12, the administrator can start a claim for the non-paying co-owners who will have to reimburse, indistinctly, all the expenses and damages deriving from their non-fulfilment.

Art. 29 - REFERENCES

For what is not specified in these regulations, refer to the Civil Code.

General criteria used to calculate the existing conventional surfaces, proportional to the commercial values: (those relative to the actually existing goods or pertinences)

flats: gross surfaces including walls, half of those in common, with scaling coefficients varying from 1 to 1.2 to determine the commercial value in relation to the position and characteristics of the single real estate units;

lofts: gross surfaces scaled at the internal height under the beam of m. 2.40;

poggioli: net surfaces taken with scaling coefficients 0.5;

garages: net surfaces, excluding the lane, with scaling coefficient 0.375;

car parks: net with scaling coefficient 0.2;

cellars: net surface with scaling coefficient 0,33;

ownership land or with exclusive use: net surface with scaling coefficient 0.2.