

BY-LAWS OF THE COMMUNITY KHAO TAO LAKE & BEACH VILLAS

Title I

NAME, SCOPE, CORPORATE PURPOSE, DOMICILE AND DURATION.

Article I, 1. NAME.

Under the name of “KHAO TAO LAKE & BEACH VILLAS Owners Community or Owners' Association” is formed.

Article I, 2. SCOPE.

This association is made up of property owners and holders of other real rights on the estates included in the Urbanized Complex known as KHAO TAO LAKE & BEACH VILLAS. It is obligatory to be a member.

Article I, 3. PURPOSE.

The community is formed as a non-profit permanent concern, in order to preferably accomplish the following:

- A.** Attend to the maintenance and preservation of the zones, facilities, services and communal exploitations of the Urbanization, paying its expenses in the manner established in these By-laws.
- B.** Supervise that the Internal Regime Regulations and By-laws which apply to the Urbanization are fulfilled, keeping the form for which it was designed.
- C.** Supervise the owners in order to resolve their communal problems regarding the properties and goods referred to under article II,3 of these By-laws, representing them before the State, Province and Municipal as well as Official Agencies and all kinds of individuals and bodies corporate.
- D.** Harmonize any differences which may arise among the different owners.

Article 1, 4. DOMICILE.

The registered domicile of the Owners Association in the Urbanization shall be the official domicile.

Furthermore, the domicile of each of the members of the Community shall be that of their respective houses on the Urbanization, except when another different domicile has been given in writing for the purpose of notifications. Communication by e-mail is counted as normal letter.

Title II

PRIVATE PROPERTY AND COMMUNAL PROPERTY GOODS AND ELEMENTS.

Article II, 1. CLASSIFICATION OF THE GOODS.

The goods affecting this Community are divided into private goods and community good

Article II, 2. PRIVATE PROPERTY ELEMENTS.

The following shall be deemed private property of each owner of each home:

A. The buildings, facilities and connections for the different services, included within the limits of each housing unit, with all their accessories.

Article II, 3. COMMUNAL PROPERTY ELEMENTS.

The following shall be deemed communal property:

A) The roads, paths, pavements and trees of the Urbanization.

B) The main water and electricity supply and distribution systems, with the limitations imposed by the supplier companies drains and sewers (conduits, pipelines, collectors) and the outside lighting system of the main entrance, roads and communal green zone s.

C) Underground telephone conduits of the Urbanization.

D) And in general all the elements, facilities, belongings and services which generally affect the use and utility by all the Community owners.

Title III

MEMBERS OF THE COMMUNITY, RIGHTS AND OBLIGATIONS.

Article III, 1. MEMBERS OF THE COMMUNITY.

Property owners and holders of other real housing rights of the Urbanization shall be members of the Association.

Article III, 2. RIGHTS .

The following shall be rights of the Association members:

A. To exercise the authorities which correspond to them with regard to their respective estates, with no further limitation than those which are set out in the Urban Planning, municipal building plans, private rules, By-Laws and any Resolutions which are validly adopted by the governing bodies of the Association.

B. To use the communal services and facilities, prior to complying with the requisites and formalities those are determined in the regulations, and to pay the respective individual consumer rates.

C. To attend the General Meetings of the Community, in accordance with the by-law rules and take part whether as voter or as candidate in the governing bodies.

D. To estrange, lien, lease or engage in any other act of disposal of its private property, without such acts being limited or conditioned by preferential call right or right of redemption, with subrogation by the purchaser in the event of transferring the rights and obligations of the transferor.

Exercise of the property rights is limited according to the urbanistic destination of the housing units and their undivided nature.

In order to exercise the rights which have been set out under C. of this article, the following is established:

1. In the event of proindivision, the holders should appoint one of them to represent them in the Community.

2. In the supposed cases of usufruct, these rights shall correspond to the nude property owner who may be represented, if he so formally declares, by the usufructuary, except when the resolutions to be adopted imply a modification in these By-laws or execution of extraordinary works or improvements, in which case the delegation should be "ad hoc".

Article III, 3. RIGHTS OF THE PROMOTER OF THE URBANIZATION:

The land owner, Sai Noi Properties Co. Ltd, through its legal representatives, shall have the right to promote and form the Community to which by obligation, all the owners of properties included in the Urbanization as specified in the above paragraph shall belong.

Article III, 4. MEMBERS OBLIGATIONS.

The members of the Community are obliged to:

A. Comply with the resolutions of the General Meeting and of the Governing Board of this Community, and which are validly adopted.

B. Pay that part of the community expenses that correspond to them, defined in article III, 7.

C. To designate their domicile for the purpose of notices and calls, as foreseen in article I, 4 of these By-laws.

D. To scrupulously fulfil the present Bylaws, so that the Residential Complex presents a harmonic appearance in accordance with the category and rank for which it has been designed.

That the mutual rights of the other owners are not damaged, and they will not permit the buildings being used for different purposes than set out in their urbanistic classification, or that activities which are a breach of morale be carried out therein. The following prohibitions and specific duties are established:

Article III, 5 PROHIBITIONS.

Use the property for industrial or commercial purposes, for agricultural or cattle breeding developments.

Carry out on the properties any activities which are a breach of morale/ or which are harmful, dangerous, uncomfortable or unhealthy, in pursuance with the principles set out in the current official regulations.

No owner shall himself or through personnel working at his orders, perform jobs or work on the common elements or goods, outside the boundary limits of his private property, even though this be in the interest of all the rest, unless a prior authorization has been received from the responsible institution.

In like manner, no owner may occupy the communal spaces, even though in a temporary way, with constructions, objects or materials and shall not throw away rubbish or debris on same.

It is absolutely forbidden to light fires or throw away lighted matches which may provoke fires or which involve a notorious risk for the private and communal properties, as well as for the woodland wealth.

And, in general not to disturb the peace which is proper of a rest place, both during the daytime and at night.

Article III, 6 LIMITATIONS:

The powers for renovating or modifying the buildings shall be restricted in all events by the urbanistic configuration and architectonic characteristics of the complex, permitting those which afford a greater utility, which increase the possibilities of enjoyment or which perfect the habitability of the property, so long as this does not involve any increase in edificability or imply any modification in the coefficients.

To this effect, the projects should be submitted to the Architect who has designed the Urbanistic Complex, or in the absence of some, the person who is appointed by the Governing Committee, who will explain the matter at the General Meeting, which may approve or reject it. Clothes lines shall not be visible from outside/ and private zones shall not be used for this purpose.

The owners have the obligation to permit access to the buildings to personnel in charge of administration of the Community as well as supplier companies or service concessionaries, for the purpose of verifications inspections or repairs.

No installations of sun screens, trees etc that limited the view for the neighbours are allowed.

Article III, 7 CONTRIBUTION IN EXPENSES.

The expenses and charges referring to preservation, upkeep, maintenance and repair of the communal elements defined in article II, 3 shall be paid for by the property owners in equal parts.

Title IV

COMMUNITY BODIES

Article IV, 1. GOVERNING BODIES.

The Governing Bodies of the Community shall be:

The General Meeting.

The Governing Committee or Board.

The Chairman.

Article IV, 2. GENERAL MEETING.

The General Meeting will be the supreme deliberative body of the Community. It shall be made up of owners who form part of the Community, and their legal representatives.

For the purpose of attendance and casting votes at the General Meetings, each owner is entitled to one vote.

Whilst Sai Noi Properties Co. Ltd, is the owner of housing units which fall within the scope of this Community, it shall have its corresponding votes, in accordance with the above paragraph.

Article IV, 3. CLASSES OF GENERAL MEETINGS.

The General Meetings shall be regular and special meetings.

Article IV, 4. GENERAL REGULAR MEETING.

The General Regular Meeting will be held once a year, during the month of February following closing of the financial year, which shall be understood to be the period between first of January and thirty-first of December. A meeting will be held to approve the management of the community and renew same, and to approve, if applicable, the annual report, balance sheets and financial accounts of the previous year.

The first General Meeting to be held shall be to constitute the Community, and to appoint members of the Governing Committee whose appointment shall have a duration of one year, with the right to be re-elected.

Article VI, 5 SPECIAL GENERAL MEETING.

Any General Meetings which are not of the class described in the above article shall be deemed Special General Meetings. Special General Meetings will be held when deemed advisable by the Governing Committee in the interests of the community or when so requested by a group of owners, not less than six.

The following shall be attributions of the Special General Meeting:

- A. Any amendment in the present By-laws.
- B. The approval of special budgets and imposing of shared expenses or apportionments to cover expenses which have not been foreseen in the yearly budget or to offset any temporary deficit in same.
- C. Removal of members and appointment of their substitutes on the Governing Committee.
- D. Any others which are necessary for the management of the Community and which do not correspond to the Regular General Meeting or to the Governing Committee.

Article IV, 6 CALL FOR MEETING AND CONSTI TUTION.

The General Meeting will be called by the Chairman of the Governing Committee by means of a letter sent out to the Community owners, at least thirty days prior to the date scheduled for such meeting.

The notice of call shall indicate the place, day and time of the meeting, as well as the matters which are to be discussed, reported upon and submitted to the approval of the General Meeting.

The Meeting shall be validly formed in first call, when a number of owners representing not less than fifty percent of the above listed coefficients attend the meeting. Should half an hour elapse and the said quorum not be reached, the General Meeting shall be deemed validly formed on second call, irrespective of the number of owners attending same.

The Community owners may appoint another owner or relative to represent them at the General Meeting so long as this is conducted in writing.

Article IV, 7 ADOPTING OF RESOLUTIONS.

The Chairman of the Governing Committee shall preside the Meeting, shall lead the debates and shall declare the matters sufficiently discussed, and submit them to ballot when applicable.

Agreements shall be adopted by majority of votes among holders present and represented and which shall be computed in the manner indicated in article I of these By-laws. Any modification in the present By-laws shall however require the votes of 75 % of the owner.

Resolutions adopted by the General Meeting shall be immediately executive and shall be binding on all owners, they shall consequently even be binding for members who are absent or dissident so long as they have been adopted in accordance with the provisions of these By-laws and shall be recorded in a Minute Book which will be authorized and signed by the Chairman and the Secretary of the Governing Committee.

Article IV, 8 GOVERNING COMMITTEE OR BOARD.

The Governing Committee is the governing and executive body of the Community, to which it corresponds the widest powers of management and representation of the Community, with no further limitations other than the requirement to submit those matters which are reserved in the by-laws to the General Meeting, for the knowledge and resolution of same.

The following shall be specific duties of the Governing Committee

- A. To make, fulfil and execute the resolutions of the General Meeting.
- B. To submit to the General Meeting any matters which it deem advisable for a good running of the Community and singularly the annual budget of income and expenses which it shall keep in the corresponding measure.
- D. To fiscalize the administration of the Community, drawing up the Annual Report, Balance Sheet and financial accounts corresponding to each fiscal year.
- E. To arrange and supervise the execution of works, installations, maintenance, preservation and improvement works, of the services and community property.
- E. To appoint and dismiss the administrator, as well as all other technical, administrative and worker staff, if necessary, fixing their remunerations and work conditions.
- F. To supervise and inspect the private works of the joint owners, to verify that their execution conforms to the approved plans and regulations.
- G. To approve the census of owners who are, at each moment, incorporated in the Community.
- H. To act and decide as arbitrator in any conflicts which are referred to it by the Community owners.

Article IV, 9. COMPOSITION OF THE GOVERNING COMMITTEE.

The Governing Committee shall be made up of not less than three members and not more than five who may be re-elected indefinitely.

A representative of Sai Noi Properties Co. Ltd shall necessarily be listed among the members of the Governing Committee, without this being computed in the above number, so long as it holds a participation in the Community.

Only persons who are owners of any of the private properties included in the territorial scope of this Community shall be appointed members of the Governing Committee, without prejudice to the provisions set out in paragraph two of this article. The office is honorific and free.

For the effects of the above paragraph, the spouse or first degree blood relations shall have the same footing as the property owners.

Should any vacancies come about during the year, they may be filled by the Governing Committee, on an interim basis, until the first General Meeting is held.

Article IV, 10. COMMITTEE MEETINGS.

The Governing Committee shall meet whenever necessary in the interests of the Community, or the initiative of the Chairman or at the request of any of its members.

The call for meeting shall specify the matters to be discussed, the place, date and time of the meeting and shall be made by the Chairman in some valid manner; the Meeting will be validly formed when attended, present and represented, by the majority of its members; the Chairman's vote shall be casting vote in the event of an even number of votes being drawn and this shall be recorded in the Minute Book, which will be authorized and signed by the Chairman and by the Secretary.

Article IV, 11. CHAIRMAN.

The owners will appoint a Chairman from among them, who will assume the following duties:

- A. He will preside the General Meeting and the Meetings of the Governing Committee.
- B. He will directly execute the resolutions adopted at same.
- C. He will represent the Community in all matters which affect it, before any institution, authority or jurisdiction, as well as with private persons and entities, whether these be individuals or bodies corporate, and specially, in the relations between Community and Sai Noi Properties Co. Ltd.
- D. He will grant in the presence of a Notary Public, on behalf of the Community, powers with general or special authorities, in favour of Attorneys-at-Court.

Article IV, 12 SECRETARY.

The Secretary shall be appointed from among the members of the Governing Committee and shall engage in the following duties:

- A. He shall draw up the Minutes of the General Meeting and of the Governing Committee/ and make the pertinent communicate and summonses.
- B. He shall keep custody of the .Minute Book and all the Community's documentation .
- C. He shall keep duly up-to-date records of discontinuations of owners who form part of the Community
- D. Any other attributions which are conferred on him by the Governing Committee.

Article IV, 13 ADMINISTRATOR .

The Administrator shall be appointed by the Governing Committee and shall engage in the following duties:

- A. He shall supervise the well running of the Community and the observance of these By-laws as well as the Internal Rule.
- B. He shall order payments and attend to expenses approved in the Minutes by the Governing Committee/ which, in turn, shall be responsible for same to the General Meeting.
- C. Monitor timely payment of fees by members, and administer appropriate notices and reminders as needed.
- D. Manage proper accounting/bookkeeping on behalf of the Community and periodically report to the board in agreed format.
- E. Act as manager and lead any staff employed by the Community
- F. Manage all and any matter the Board assigns on behalf of the Community
- G. Report to the Community, through the by the Community appointed Chairman of the Board, any and all event or incident that may be of interest to the Community.
- H. Send to all members, for each six month period, an overview statement of the accounts of the Community and separate individual statements of account to each member detailing their dues and payments to the Community.
- I. The Board can add additional duties or take away duties in accordance with what the Board considers appropriate and necessary from time to time.

Title V

FINANCIAL MEANS AND SYSTEM

Article V, 1. COMMUNITY EXPENSES.

The following expenses will be communal expenses:

A. All those which are directly or indirectly related with maintenance and preservation of the common property elements listed in article II, 3 of these By-laws.

B. The Administration, watch-keeper and caretaker expenses.

C. Taxes/ rates, rights and fees of any kind which burden the communal elements, and which have no exact, divisional specification.

Article V, 2. COMMUNITY INCOME.

A. The payments made by the owners who are integrated in the Community. These contributions shall be quarterly and paid in the first month of each quarter. A yearly payment made in January gives a 10 % discount.

B. Regular or special quotas fixed by the Governing Committee

Article V, 3. PAYMENT OF QUOTAS.

The communal expenses shall be divided up in equal lots among the different owners.

The Governing Committee may however agree to some special payment system in order to provide or contribute towards certain services which solely benefit their users.

The quotas which the owners should pay in order to cover the communal expenses shall be collected in the form of quarterly receipts, domiciled in a bank account and which must be paid during the first ten days respectively.

These receipts shall be deemed as payments on account, and the resulting figures shall preferably be rounded off and homogenized, and later readjusted at the end of the year, in accordance with the first paragraph of this article.

When fixing the quotas which each individual owner should pay, the Governing Committee v/ill determine the form and conditions of payment of the same. The obligations which are referred to in this article should be fulfilled by the legal owner under the terms and in the manner determined by the Governing Committee.

Otherwise, payment will be demanded in a legal manner, by registered letter and if it is not made within o term of fifteen days, the Community may enact the amounts owing through judicial means, with the consequent indemnity for damages and financial losses.

Until a resolution is passed, the owner may be deprived of the use of the services and facilities.

Title VI

PENALTIES FOR INFRACTIONS

Article VI, 1. PENALTIES

The precepts of these By-Laws and if applicable those of the internal ruling, shall have the nature of contractual covenants. Any infraction or breach in some shall carry with it the liabilities foreseen in the Civil Legislation for such breaches. Exercise of any actions which are initiated in cases of breach/ shall rest with the bodies that represent the Owners Association.

Title VII

LEGAL REGIME

Article VII, 1. RULES.

Every purchase and sale deed of housing units shall be accompanied by a copy of the present By-laws and in addition, the Internal Rules, if they have been published.

If any owner alienates his property, he shall demand in the deed of sale, a formal subrogation in the rights and obligations that correspond to the selling party, as member of the Community. Notwithstanding the above, when these By-laws have been recorded at the Property Registry, and if applicable the Internal Rules, their dispositions shall be binding on all third party buyers who shall be required to observe same, without any specific subrogation being necessary.

By the very fact of purchase of a property within the territorial, scope of this Community, the owner of same waives any other right that might correspond to him, and expressly submits to the jurisdiction of the Low Courts of Hua Hin, to resolve any matters which may arise.