

**Memorandum and Articles of Association
of Coral Owners Association**

Tala Island

This Thursday; 5th Shawwal 1438 AH, corresponding to 29 June 2017 AD, before me, Notary Public at Authentication Office in Bahrain, the following parties appeared:

M/s Tala Property Development W.L.L, a company registered under No. _____ represented by Mr. Ashraf Samir Seleem Othman, Jordanian national, holding ID No. _____ under Minutes of Board Meeting dated 16/3/2016, in the company's capacity as the authorized signatory on behalf of:

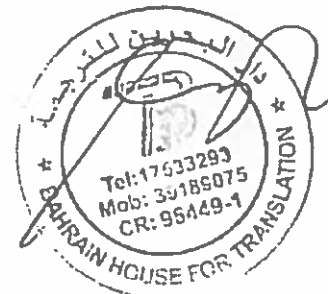
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2. _____ national, holding passport No. _____ national, holding passport No. _____ under the power of attorney authenticated under No. 2011036897,
3. _____ national, holding ID No. _____ under the power of attorney authenticated under No. 2014025389,
4. _____ national, holding ID No. _____ under the power of attorney authenticated under No. 2010015994,
5. _____ national, holding ID No. _____ under the power of attorney authenticated under No. 2010014005,
6. _____ National, holding passport No. _____ under the power of attorney authenticated under No. 2014032276,



7. [redacted] national, holding ID No. [redacted]
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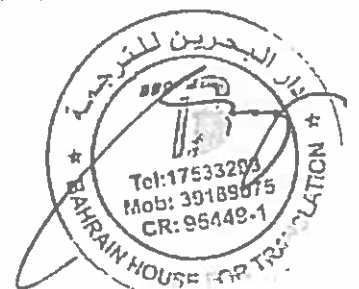
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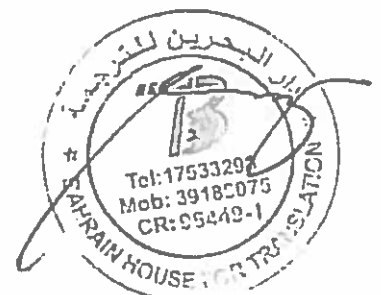
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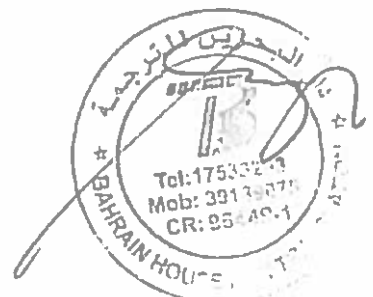
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power of attorney authenticated under No. 2010026685,
56. national,
holding ID No. under the power of attorney authenticated
under No. 2010022444



After all the parties hereto declared that they are legally competent to conclude contracts and legal dispositions, and to execute the Memorandum and Articles of Association, they agreed to form Owners' Syndicate consists of owners of buildings (1000 – 998 – 996 – 994 – 992 – 990 – 988 – 986 – 984 – 978 – 972 – 96), Road 5710, Complex 257 at Tala Island- Amwaj Islands- Al Muharraq- Kingdom of Bahrain, established on Plot: 02024810, Submission No. 200811917, Document No. (152331), of area (6543) m2, a complex consists of (12) residential buildings, each building consist of a garage for parking. The remaining floors contain residential apartments in addition to the facilities and common parts where the boundaries and areas thereof are detailed in the maps approved by Municipality Affairs Department - Al Muharraq. Each member owns common share in the land and all facilities and common parts in proportion to its share in the divided area and its facilities and attachments. Moreover, each member owns common share in the common areas with all owners in Tala Island, as well as members who will join in the future or their successors of any votes according to Article 826 of Civil Code issued under Decree Law No. 19 of 2001 and relevant articles, and in accordance with the first sale contract for the residential apartments comprising the premises, subject matter of association, where the first party thereto is Tala Property Development W.L.L, hereinafter referred to as (Sale Contract of Apartments Comprising Association Premises). For realizing the purposes of Owners Association, including Article (5) hereof, and after duly inviting all owners to attend the meeting and according to the following terms and conditions:



Chapter 1
General Provision

Article 1

Detentions and Interpretation:

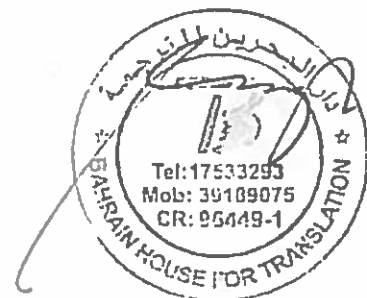
1- Definitions:

Contract :	Means Memorandum and Articles of Association of Coral Owners Association, including the preamble and appendixes thereto.
Premises :	Means the buildings constructed on Plot No. 02024813, with Submission No. 200811904, Document No. 153977, with area: 12835 m2, in addition to the gardens, streets, corridors, open spaces, garage and other common parts.
Real estate unit or unit:	The divided part of the buildings located in the premises owned by the owner/ member, and relevant share allocated for each unit in the common parts and common facilities
Divided Parts:	Everything contained in the real estate unit dedicated for the use of unit owner as detailed in Article 8 hereof.
Common Parts:	The parts located in the building or group of buildings, and any other common part within the premises, which do not represent part to the real estate unit or any other unit, that allocated for the common use and benefit of all or part of the owners as indicated in Article 12 hereof.
Tala Common Parts:	The common parts located in Tala Island that are not divided or common parts belong to some Tala owners without others, but communal property intended for common use or benefit of all Tala owners as detailed in Article 17 hereof.
Owners Association Manager (Manager)	The person responsible for daily management of Owners Association in accordance with provisions of Article 57 hereof.
Owner/ Owners or member/ members:	One or more owners of one or more units, which entail membership of Owners Association. The term includes the successors, assignees and permitted personnel.
Building=	The building located within the premises, which includes the unit owned by the owner/ member.

2- Interpretation

The above preamble shall be an integral part of this Memorandum and Articles of Association, and shall be read and interpreted therewith.

a- Unless otherwise required by the context, words importing the singular shall include the plural and vice versa, words importing a gender shall include other genders and references to a person shall be construed as references to natural persons, any establishments, associations, corporations or institutions.



b- Reference to law includes reference to laws, internal or external regulations, legislations, decisions, rules, regulations and provisions with legal enforcement which are applicable to any of the hereunder terms, including any amendment thereto.

c- Reference to time shall be interpreted according to Georgian Calendar.

d- The headings contained herein are for convenience only, and shall not affect the interpretation of this Memorandum.

e- Reference to Owner/ Member shall include reference to its successors, assignees and permitted personnel. Reference to personnel shall be interpreted as an obligation to their representative.

Article 2: Incorporation

Owners Association was incorporation according to the law and gained its independent legal personality as of the date hereof in accordance with Article 826 of Civil Code issued under Decree Law No. 19 of 2001, Order No. 9 of 2004 with respect to the general regulation for management of ownership of stores and flats and Order No. 10 of 2004 with respect to the provisions governing the notarization of agreement for the formation of property owners union.

Article 3: Association Name

Coral Owners Association

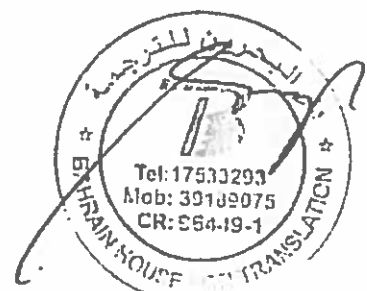
Article 4: Headquarters

The members agreed to determine the headquarters and legal office of Association after notarizing this Memorandum and Articles of Association.

Article 5: Objectives

The purpose of forming the Association is to regulate relationships between the owners so that each owner would be held liable before the Association, not before other owners. Moreover, the Association shall perform the following activities in particular:

a- Managing and maintaining the common parts.



b- Ensuring the good use of the premises.

c- Maintaining safety of the premises.

d- Strengthening social relationship between the owners in order to maintain good neighborliness, encouraging teamwork and removing all negatives by appropriate means.

e- Representing the owners in Tala Owners Association, the union to be established between Coral Owners Association and other associations as well as villa owners in Tala, and managing and maintaining the common parts in Tala Island.

Article 6: Term

Association term is indefinite and starting from the date of notarizing this Memorandum and Articles of Association.

Chapter 2

Premises components, ownership of divided parts and real estate units

First: Premises Components

Premises No. 02024810 established on a plot with Submission No. 200 811917, Document No. (152331), of area (6543) m², a complex consists of (12) residential buildings, each building consist of a garage for parking and the remaining levels contain residential apartments. The total divided area of the premises is 61 m².

Article 7: Buildings:

The property consists of twelve (12) residential buildings, containing apartments as following:

1) Coral Building (1)

Building No. 1000, Road 5710, Complex 257 - Amwaj Islands – Al Muharraq



A residential building consists of four (4) floors; a ground floor and three other floors (first, second and third) containing three (3) apartments each, with a total of 12 apartments. The details of their ownership are illustrated in annex (1)

2) Coral Building (2)

Building No. 998, Road 5710, Complex 257 - Amwaj Islands -Al Muharraq

A residential building consists of four (4) floors; a ground floor and three other floors (first, second and third) containing two apartments each, with a total of 8 apartments. The data of ownership is illustrated in annex (1)

3) Coral Building (3)

Building No. 996, Road 5710, Complex 257 - Amwaj Islands –Al Muharraq

A residential building consists of four (4) floors; a ground floor and three other floors (first, second and third) containing two apartments each, with a total of 8 apartments. The details of their ownership are illustrated in annex (1)

4) Coral Building (4)

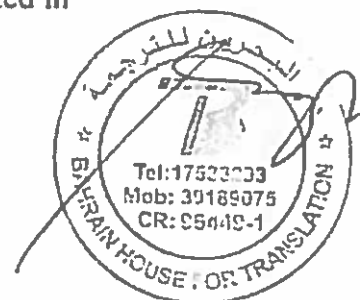
Building No. 994, Road 5710, Complex 257 - Amwaj Islands – Al Muharraq

A residential building consists of four (4) floors; a ground floor and three other floors (first, second and third) containing two apartments each, with a total of 8 apartments. The details of their ownership are illustrated in annex (1)

5) Coral Building (5)

Building No. 992, Road 5710, Complex 257 - Amwaj Islands -Al Muharraq

A residential building consists of four (4) floors; a ground floor and three other floors (first, second and third) containing two apartments each, with a total of 8 apartments. The details of their ownership are illustrated in annex (1)



6) Coral Building (6)

Building No. 990, Road 5710, Complex 257 - Amwaj Islands - Al Muharraq

A residential building consists of four (4) floors; a ground floor and three other floors (first, second and third) containing two apartments each, with a total of 8 apartments. The details of their ownership are illustrated in annex (1)

7) Coral Building (7)

Building No. 988, Road 5710, Complex 257 - Amwaj Islands - Al Muharraq

A residential building consists of four (4) floors; a ground floor and three other floors (first, second and third) containing two apartments each, with a total of 8 apartments. The details of their ownership are illustrated in annex (1)

8) Coral Building (8)

Building No. 986, Road 5710, Complex 257 - Amwaj Islands - Al Muharraq

A residential building consists of four (4) floors; a ground floor and three other floors (first, second and third) containing two apartments each, with a total of 8 apartments. The details of their ownership are illustrated in annex (1)

9) Coral Building (9)

Building No. 984, Road 5710, Complex 257 - Amwaj Islands - Al Muharraq

A residential building consists of four (4) floors; a ground floor and three other floors (first, second and third) containing two apartments each, with a total of 8 apartments. The details of their ownership are illustrated in annex (1)

10) Coral Building (10)



Building No. 978, Road 5710, Complex 257 - Amwaj Islands - Al Muharraq

A residential building consists of four (4) floors; a ground floor and three other floors (first, second and third) containing two apartments each, with a total of 8 apartments. The details of their ownership are illustrated in annex (1)

11) Coral Building (11)

Building No. 972, Road 5710, Complex 257 - Amwaj Islands - Al Muharraq

A residential building consists of four (4) floors; a ground floor and three other floors (first, second and third) containing two apartments each, with a total of 8 apartments. The details of their ownership are illustrated in annex (1)

12) Coral Building (12)

Building No. 966, Road 5710, Complex 257 - Amwaj Islands - Al Muharraq

A residential building consists of four (4) floors; a ground floor and three other floors (first, second and third) containing two apartments each, with a total of 8 apartments. The details of their ownership are illustrated in annex (1)

Article 8: The Owned Divided Parts:

The divided parts for each apartment represent all the contents intended for the use of the owner, especially the following:

- 1- Surface of the apartment's floor and the covering material such as wood, tiles or others.
- 2- Internal partition walls including the cladding and plastering works thereof.
- 3- Water and gas pipes, electricity wires and devices, plumbing devices and other installed equipment.
- 4- Internal doors, windows, terrace and doors.



5- Surface of the apartment roof opposite the floor including the cladding and plastering works thereof.

6- All attachments of the apartment such parking area, air conditioning units, water tanks and others.

Article 9:

Members and their successors shall not use their right in the divided parts arbitrarily according to Article 28 of Civil Code issued under Decree Law No. 19 of 2001.

Article 10:

Members of this Association and their successors, in order to use the apartment that would refer to each of them, shall have the right to use the common parts for the intended purpose, taking into consideration rights of other owners and without damaging the premises. The common parts are managed as detailed in this Memorandum and Articles of Association.

Article 11:

Owner of the apartment shall be liable to pay for maintaining and repairing its owned apartment as well as making any changes thereto even such works would benefit other owners.

Second : Common Parts:

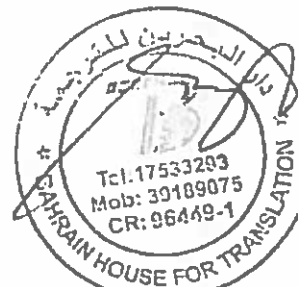
Article 12:

Owner/ Member owns a joint share in the common parts. Such ownership is limited to the boundaries of the building in which the unit is located, not represent any part of any other unit, and other parts intended for the use and benefit of all or part of owners.

Apartment of each owner shall have a share in the common parts of the building in which the apartment is located as details hereunder:

A- Common parts between the unit and neighboring units:

1- The joint wall between the unit and adjacent units as shown in the approved maps.



2- Pipes and extensions for water, electricity, gas and sanitation.

B- Common parts between the unit and other neighboring units:

1- Structure of the building, its parts and attachments that are not intended for use by a specific owner.

2- Ceilings, columns, and main walls (to the extent that they do not form part of the divided parts).

3- Building foundations, ceilings, columns and main walls and roofs.

4- Entrances, interior hallways, stairs and elevators.

5- Pipes, connections and equipment except those inside the divided parts which is limited to the use and benefit of owner of such part.

C- Common parts between the buildings – All owners of the premises:

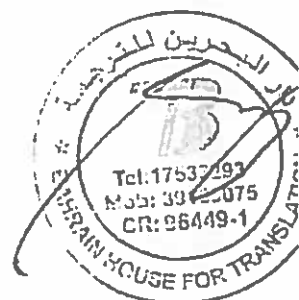
Owner/ member owns a joint share in the common parts between the buildings where such share is calculated by dividing the divided owned part on the whole divided area of the buildings. These common parts may not be disposed of without the unit. Owner/ member shall have the right to benefit from the common parts in the complex that do not represent a part of divided property, which are as follows:

1- The plot on which the group of buildings, pavements, outer corridors, and gardens are established.

2- Places allocated for guards and other personnel providing services to the complex.

3- Shared basement and parking area.

4- Services and recreational areas and other facilities as well as the area provided to the owners and common services such as external corridors, landscape, stores, lifts, electricity rooms, water tanks, sanitation and others, and the parts indicated in the title deeds and sale contracts that are undividable. In general, these parts include all areas intended for the common use of all owners without taking into consideration the share of each party to benefit from these parts.



Article (13)

(a) These parts of the building whose benefit is limited to some owners only shall be the common property of such co-owners.

(b) In particular, the inner walls which separate two parts of the same storey shall belong as common party property to the owners of these two parts.

Article (14)

The share of each owner in the common parts shall be in proportion to the value of the divided part which he owns. The value of such part shall be estimated on the basis of its area and location at the time of constructing the building.

Article (15)

For the use of his divided part, each owner shall be entitled to use the common parts for the purpose for which they are intended subject to complying with the rights of other co-owners.

Article (16)

The common parts shall not be divided. An owner shall not dispose of a share thereof independently from the divided part he owns. Disposal in respect of a divided part shall include the share of the party making such disposal in the common parts.

Article (17)

Tala Common Parts – Common Property between all Tala Owners:

The common parts indicated in the attached maps (Attachment No. 2) stated hereunder, and intended for joint use or benefit of all Tala Island owners, as regulated by Tala Island Owners Association which include in its membership the association of villas and buildings owners located in Tala Island.

1- Health and Recreational Center established on Plot No. 02020788, Document No. 140022, Submission No. 8828/ 2006, of area: m², which includes the Sports Club, sauna, jacuzzi, squash court, and ladies' gym with all their attachments. The premises also have large green areas,



tennis courts, basketball playground, children's games and headquarters of the association.

2- Swimming pool and its attachments established on Plot No. 02020751, Document No. 140381, Submission No. 8861/ 2006 of area: m2.

3- Corridor established on Plot No. 02020719, Document No. 139629, Submission No. 5238/ 2006 of area: m2.

4- Corridor established on Plot No. 02020706, Document No. 139788, Submission No. 5244/ 2006 of area: m2.

5- Corridor established on Plot No. 02020719, Document No. 139629, Submission No. 5251/ 2006 of area: m2.

6- Corridor established on Plot No. 02020742, Document No. 139738, Submission No. 5265/ 2006 of area: m2.

7- Corridor established on Plot No. 02024496, Document No. 154346, Submission No. 11008/ 2006 of area: m2.

8- Beach on the marine premises No. 0202542.

9- Main gates, guards room, external parking areas and all landscape spaces and parks.

10- Pavements and internal roads within Tala Island.

Ownership of each party in such common space consummates with the owner share in the premises located at the Island. Tala Owners Association shall be entitled to manage such properties as indicated in Memorandum of Association of Tala Owners Association.

Article 18: Status of Association with Tala Island

The premises/ Association is located within Tala Island, where the total divided areas is m2, where the premises owners jointly own a share in the common parts of Tala Island representing for votes in the General Assembly of Tala Island.

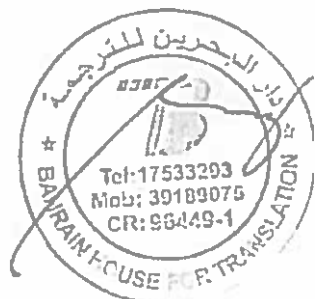
1) Coral Owners Association shall be an integral part of Tala Island Owners Association where it shall be subject to all laws and regulations



of Tala Island and represented by Manger of Association in the General Assembly of Tala Island.

2) Tala Island Owners Association shall be responsible for managing, operating and maintaining the common parts in the premises in cooperation with Association Manager against fees to be agreed upon.

3) If the balance sheet of Coral Owners Association was not approved according to Article 49 hereof, Tala Owners Association Board of Directors may approve such balance sheet in coordination with Association Manager.



Chapter 3

Association membership & Members' rights and obligations

Article (19)

Association consists of all owners and their successors as per its provisions. The share of each owner in the property shall be the ratio of apartment area to the total areas of all other apartments found in the property.

Article (20)

Any person/s owns apartment in this property shall be member in the association after its registration, regardless of the reason for title. Membership shall be acquired from the date of title.

Article (21)

Membership of the association shall be cancelled in the following cases:

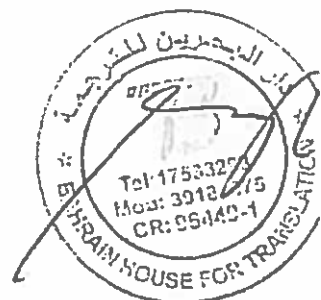
- 1) Transferring the title of a member's share in the association to third party without owning any apartment. This member shall notify the association manager or its representative to that effect and provide the documents of title transfer.
- 2) Death of the member. Membership shall be transferred then to any of his successors as per Article 2 hereof.

Article (22)

Apartment owners and to whom the apartment title is transferred (if there are many owners) shall select one of them to represent them in the association. If they failed to agree, one of them and association manager may request the court to appoint representative for them, at their own expense.

Article (23)

The association manager or his representative shall notify the concerned persons and competent authorities of any amendment in the association membership or to the association as whole. The aforesaid notification shall be served within 15 days from the date of such amendment.



Article (24)

The address of the apartment owned by each member in the association shall be its formal address to which all formal correspondences and letters shall be served. The member may change its address, provided that notifying the association manager to that effect under a registered letter with return receipt requested or email.

Article (25)

The member may use the apartment itself or with third party or rent the same to third party for not less than one year, provided the lease shall stipulate that the tenant shall be subject to provisions hereof and the resolutions issued by the association general assembly. In addition, the member may sell, grant or in any way dispose of the apartment, subject to the association resolutions and regulations of its formation and the initial sale contract.

Article (26)

If any owner wishes to sell or transfer the title of its unit, it shall be required to:

- 1- Provide the proposed purchaser or transferee with a copy hereof.
- 2- Make all due payments
- 3- Obtain discharge certificate from the association management.

Article (27)

Any member of the association may make amendments to the common parts, provided that:

- 1- This amendment shall be made at the member's own expense
- 2- This amendment shall improve the usage of such parts without harming the other owners.
- 3- Obtain consent of three four of the association general assembly. If the consent was not obtained, this member may request the court to allow it to make such amendment

Article (28)



Subject to provisions of item (3) of the above article, each member shall take all the actions required to maintain the common parts even without the knowledge of other owners or association owner or its representative if delay shall cause damages to the property or owners.

Article (29)

All members may view the relevant records, documents, correspondences and papers pertaining to the property management in the association headquarter. The manager or its representative shall enable members to view such documents and records if they so requested.

Article (30)

1. Costs of repairing and maintaining the parts jointly used by both parts shall be solely shared between them.
2. All members shall incur the costs of common usage, maintenance, management and renewal of common parts in the property and costs of common services.

Article (31)

The common parts shall not be divided. An owner shall not dispose of a share thereof independently from the divided part he owns. Disposal in respect of a divided part shall include the share of the party making such disposal in the common parts.

Article (32)

No owner may do any act that is likely to threaten the safety of the building nor alter its design or external appearance.

Article (33)

Without prejudice to the above article:

- a- Association member may not, in any way, divide its apartment without agreement of the association general assembly. The general assembly shall, in the same meeting, redistribute ratio of the costs imposed on the apartment hereunder according to the ratio of the area of each to the other apartments. The relevant member shall follow procedures with the competent authorities and



- provide the general assembly with all license and approvals before division.
- b- Owners of the new apartments shall become members in the association upon the registration of title. These members shall abide by this memorandum and pay the ratio of costs set out in paragraph (1) of this item.
 - c- The owner/s of one apartment or more may not merge the apartments in one apartment without prior consent of the general assembly hereunder. If the general assembly agreed on merging, it shall redistribute, in the same meeting, the ratio of costs imposed on the apartments under this memorandum and according to the ratio of the apartment area to other apartments. The association member that the apartment is registered in its name shall pay the costs imposed on the new apartment. The member that the apartment is registered in its name shall follow procedures with the competent authorities and obtain the necessary approvals that shall be submitted to the general assembly before merging the apartments.

Article (34)

Works of maintenance and building may not, in any way, exceed the permitted time, i.e. 8:00 am - 5:00 pm, from Saturday to Wednesday, except for official holidays, unless the general assembly otherwise resolves.

Article (35)

- a- The member shall comply with all provisions included in the initial sale contract with Tala Real Estate Development LLC, the terms and conditions hereof, the resolutions issued by the general assembly according to this law, this memorandum of association and with the contracts and agreements referred to therein. If the member has objection to any resolution, the member shall file complaint to the same general assembly in the meeting that comes after issuing the resolution, the subject matter of objection. The complaint shall be included in the general assembly agenda and vote on the resolution again according to law and this memorandum of association.



- b- The association member shall cooperate and facilitate the duties of association manager or its representative.

Article (36)

- 1- Any owner of units in the jointly owned property and developer of the unsold units shall pay fees of their annual subscriptions to cover costs of management, operation, maintenance and repair of common parts, as well as the costs of their insurance. Fees shall be determined according to the unit area out of the total area of divided parts in the property. The nature of unit usage and all standards specified by the association general assembly must be taken into consideration.
- 2- Association members shall annually pay the fees of its unit in advance in the times determined by the association manager or its representative. In addition, members shall fulfill all financial obligations imposed under this memorandum of association, the contracts and agreements referred to therein or imposed by the general assembly. If the member failed to make due payment, association manager shall have the right to order this member to make payment under registered letter with return receipt requested. If the member refused to obey the manager's order, association manager shall have the right to make recourse to courts to obligate the member in default to pay due fees plus compensation of 2% for every month of delay as of maturity date.
- 3- No unit owner or developer may assign its share in the common parts to avoid paying its share in the annual subscriptions.

Article (37)

Association member shall insure the responsibilities toward third party before any insurance company working and registered in Bahrain with insurance limit of BHD 50000 (fifty thousand Dinars) minimum. The member shall renew this insurance annually and provide the association manager with copy of insurance policy within 15 days at least from the end of insurance term.

Article (38)



- 1- Each owner shall be responsible for the damages, whether caused by its own default or by default of those who subject to control, follow up and safeguard or to whom the owner rents its apartment, caused to the property, common parts, other owners or third party. The owner shall compensate the impaired as per the applicable laws, which compensation shall be determined by the association manager. In case of failure to reach agreement, the matter shall be referred to courts at the defaulting party's expense.
- 2- Each owner is deemed as guard over the divided part allocated thereto, and shall be responsible for the damages cause to such part.

Article (39)

All the parties hereto and their successors shall have the right to dispose of the apartment and use in a manner that does not conflict with rights of owners of other apartments. The member may use the apartment itself or with third party or rent the same to third party for not less than six months, provided the lease shall stipulate that the tenant shall be subject to provisions of the contract of owner association formation and to the resolutions issued by the association general assembly.

The association member shall use and dispose of the unit and use the common parts subject to the following:

1. Place animals inside the apartment
2. Not to hang clothes or install receivers in balconies
3. put rubbish in the allocated places
4. not to use the elevators to transfer goods
5. not to some, eat and drink in the building facilities
6. not to engine boats in the water of Tala Island
7. not to sit or receive visitors in the common areas
8. put gas cylinders in the allocated places
9. prevent children and those who control them from playing in places other than the allocated ones.
10. Use roofs for other purposes
11. Abide by the instructions and resolutions issued by owners association or association manager, each within its competences.

Chapter (4)



Association Management

Article (40)

Owners association is formed by the majority of shares to ensure good usage of properties.

Association affairs management and execution of its purposes shall be the responsibility of:

- 1- Association general assembly
- 2- Association manager

Association general assembly:

Article (41)

Association general assembly consists of all owners and it is the highest authority in the owners association. General assembly is called for meeting at the request of association manager or set of members owning 20% at least of property units. Invitation for meeting shall be delivered to members by hand, fax, registered letters or email seven days at least before the meeting. Invitation of meeting shall be posted on the property entry, which invitation shall specify the action agenda and date and venue of meeting.

Article (42)

Subject to what is specifically provided for in the civil defense, the general assembly meeting shall be valid if only attended by 60% at least of shares in the property. In this quorum is not present in the meeting, another meeting shall be held within 15 days from the date of the first meeting. The second meeting shall be valid regardless of the number of attendant members.

Article (43)

Each owner shall have a number of votes at the general meeting in proportion to his share of the common parts. If the owner's share exceeds one half, the number of votes held by him shall be reduced to the equivalent number of votes of the remaining owners.

Article (44)



In case there are several owners who own a single storey, apartment or a building in a group of buildings, they shall be treated towards membership of the general meeting as a single owner. They shall nominate one of their members to represent them. In case of their disagreement, the Court shall be empowered upon an application of one of them or the syndicate's manager to appoint a representative thereof.

Article (45)

An owner may delegate another person to attend general meetings and to vote thereat. A person may not act on behalf of more than one owner.

Article (46)

The syndicate's manager, any of his assistants nor their spouses shall not act as representatives of the owners.

Article (47)

- 1) Association manager, or its representative shall release the minutes of meeting for general assemblies, and shall mention therein the time and venue where such meeting was held in addition to number of attendant members, their names, votes and shares along with the subjects discussed in such meeting, resolutions taken and votes of each resolutions.
- 2) Such minutes of meetings shall be signed by the association manager or its representative along with its designation, copy of which shall be submitted to project management referred to in this articles of association.

Article (48)

Resolutions of the general meetings shall be adopted by the majority votes of members present unless this memorandum of association otherwise provides.

Article (49)

In the event that the legal quorum, i.e. owners hold 60% at least of shares, was not fulfilled in the first meeting, another meeting shall be held within 15 days from the date of the first meeting. The second meeting shall be valid regardless of the number of attendant members. The general



assembly resolutions shall be issued then by 30% of votes that the attendees have, which resolutions shall be related to:

- 1) Acknowledgment of the association estimated balance
- 2) Endorsement of the association final account
- 3) Considering the member's objections concerning the subscriptions imposed by the association manager or its representative under this memorandum of association.
- 4) Considering the reports filed thereto by the association manager

Article (50)

Resolutions of the general meeting shall be adopted by the majority votes of all members with respect to the following:

- (1) Authority to adopt a resolution which should be approved by the majority vote of members present.
- (2) Appointment or dismissal of the syndicate's manager or members of the board of directors.
- (3) Regulation of apartment title and laying regulations in line with the apartment location and without conflict with Article 820 of Civil Law.
- (4) Definition of procedures necessary to encounter the case of partial or total collapse of property and the steps to be taken by members in this regard.
- (5) Approval of members' request of dividing or merging the apartments
- (6) Determination of compensation due to members or third party due to the execution of association works.
- (6) Amicable settlement of disputes arising between members for reasons that pertain to the joint ownership of property.
- (7) Liquidate the association upon its expiration.

Article (51)

Resolutions of the general meeting shall be adopted by a three quarter majority vote of all the members in respect of the following:



1) Making any modification, change or addition of the common parts where this is likely to improve the enjoyment thereof to the extent of the purpose intended for the property. In such case, the general meeting shall decide by the same majority to divide the costs of the works decided as well as the costs of operation and maintenance that have been introduced.

2) Authorizing one of the owners to make a modification to the common parts according to the provisions of Article 27 hereof.

3) Property disposals that result in acquiring, transfer or creation of any real rights in respect of the common parts except for the disposals provided for in Article 836 (f).

4) Acquisition by the syndicate of one of the divided parts and disposing of such parts owned thereby.

Article (52)

Resolutions of the general meeting shall be adopted by a unanimous vote in respect of the following:

(a) Disposals affecting any of the common parts if the preservation of such part is essential for the enjoyment of the property according to the intended purpose thereof.

Article (53)

Association Manager of its representative must notify all owners of any resolution issued by the general assembly. Each owner shall have the right to view minutes of meeting.

Article (54)

The general assembly may start executing any resolution that pertains to the amendment or change of building facade or external appearance only after obtaining express written consent of Tala Island Owners Association referred to herein.

Article (55)

The general assembly may hold extraordinary meetings at the request of association manager to discuss any important item, and may request all members to pay additional amount plus subscriptions in case there is



Budget deficit. The general assembly shall explain the actual reasons for such deficit and why additional amounts are needed. Extraordinary meetings shall be deemed valid if only attended by members own 30% at Least of property shares.

Article (56)

The general assembly may select the association board among its members, which board shall not be more than 9 nine members, including the chairman and not less than 3 members. The number of board members must be odd.

The board shall help the manager and department of control, express opinion to the general assembly and perform its other duties.

Third: Association Manager

Article (57)

The general meeting was held and majority of members selected Mr. Ismail Mohamed Mohamed Rashid Fikry as Association Manager for two renewable years. The manager's powers and authorities shall be as follows:

- 1- Association Manager shall have broader authorities to properly manage the association to achieve its objectives. These powers shall be defined according to this law and resolutions issued by the extraordinary general assembly.
- 2- Represent the association before official and non-official authorities, include but not limited to, courts, notary public department and all ministries and governmental authorities.
- 3- Represent Garden View Owners Association Tala Island owners Association, including signing on behalf of the association to the memorandum of association and articles of association on behalf of the association and executing its resolutions according to what owners association of Tala Island resolves.
- 4- Represent members of owners association of Tala Island
- 5- Perform administrative and financial works of the association, including without limitation, issuing invoices for owners and taking the necessary actions to obtain the amounts due to owners association, including the appointment of advocates and filing



lawsuits against those who breach their obligations toward the association.

- 6- Open bank account for the association in any bank and operate and deposit monies in such account or according to what is agreed upon by coordination with Owners Association of Tala Island.
- 7- Prepare estimated budget that includes defining objects of expenditure and suggesting sources of finance during the fiscal year by coordination and consultation with Tala Island Owners Association.
- 8- Notify all owners of all resolutions issued by the general assembly. Each owner shall have the right to view meeting minutes.
- 9- Keep books, register revenues and expenses of the association and prepare final account by the end of every fiscal year indicting the monies spent and objects of expenditure.
- 10- Develop minutes of general meetings, state the date and venue of meeting, attendees' number, names, votes and shares, the handled issues, the issued resolutions and number of votes of every resolution and notify all owners of such resolutions.
- 11- Regulate the usage of common areas in the property.
- 12- Any other powers granted thereto by the general assembly

Article (58)

Association Manager may delegate all or part of its powers to management of Tala Island Owners Association that shall, in coordination with the manager, manage and maintain the common areas of Garden View Owners Association within the agreed budget.

Article (59)

As for the matters lying outside manager's powers, the manager or its representative may, on its own and in emergencies, take the actions required to keep, maintain and guard the common areas without referring to the Assembly. These matters shall be offered to the first subsequent general meeting for declaration.

Article (60)

Members shall delegate the manager or its representative, by the majority of votes and under this memorandum, to sign agreement of Tala Island



Owners Association with managers of other property owners association in Tala Island or their representatives, in addition to owners of villas and houses, which includes forming Tala Island Owners Association. Accordingly, Tala Island Owners Association shall manage the common areas of owners of Tala Island, as well as the common facilities and areas, and shall provide the necessary services and maintenance.

Chapter (5)

Association financial affairs

Article (61)

Fiscal year of association shall commence on 1st January and end on 31st December of every year, and the first fiscal year shall commence from the date of association registration and end on 31st December of the same year.

Article (62)

Association financial resources consist of:

- 1- Subscription fees paid by members
- 2- Revenues resulting from the project use of any common area
- 3- Donations that the association receives from members and others
- 4- Other resources defined by the general assembly

Article (63)

Without prejudice to Article 36 hereof, members' financial subscriptions shall be as follows:

- 1- Association manager or its representative shall consider the value of estimated costs of common areas , define the value payable by each member in proration to its shares in the property common parts and prepare comprehensive annual budget of property maintenance and offer the same to the general meeting for approval.
- 2- The general assembly may, by the majority of votes, resolve to reject the value of subscriptions defined by the manager. In such case, the manager or its representative shall consider the general assembly's comments regarding the value of subscriptions.



Article (64)

10% of members' subscriptions shall be deducted and deposited in the association's account as reserve to cover non-periodical operations of maintenance and building for 10 years. If the reserve became less than the value determined by the association general assembly, members shall pay the above percentage (10%) again. In all cases, the reserve shall not be less than the average of members' subscriptions during one year out of the last ten years.

Article (65)

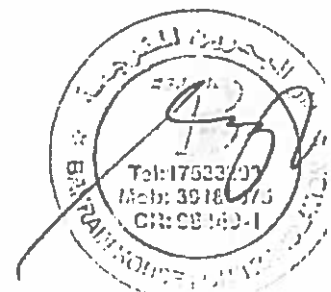
The general assembly may request the members, in extraordinary meeting at the request of association manager, to pay additional amounts plus their subscription in case there is deficit of budget. The general assembly shall explain the actual reasons for such deficit and why additional amounts are required.

Article (66)

If a member rejected to pay the value of its subscription after one week from sending the notice of payment, the manager shall be entitled to stop providing service to the defaulting member (i.e. stop using elevators, car parks, other common areas of Garden View Owners Association and common areas of Tala Island Owners Association)

Article (67)

- 1- Costs of maintenance and management of the common areas jointly owned by all owners of Tala Island shall be the responsibility of all owners associations and owners of villas and houses in proportion to the divided part of each party to the whole area of divided parts as set out in annex (2)
- 2- Garden View Owners Association shall pay Tala Island Owners Association the amounts payable thereby against the management and maintenance of common parts and areas of Tala Island and any amounts payable by Tala Island Owners Association. In addition, it is necessary to pay all amounts due against against the management and maintenance of common parts of Garden View buildings as per the agreement concluded by the manager of



Garden View Owners Association and management of Tala Island Owners Association.

Chapter (6)

End of association

Article (68)

Owners Association shall end for any of the following reasons:

- 1- If the title of property, the subject matter of association, was transferred to one person
- 2- If the property became fully destroyed
- 3- If association members became less than five
- 4- Owning the property for public interest

Chapter (7)

Final provisions

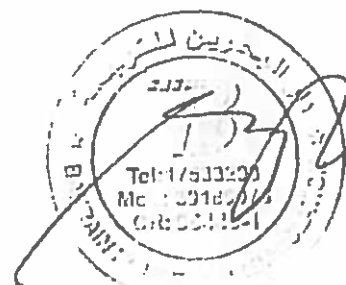
Article (69)

The signature of all members is not required to make any amendment this memorandum of association, instead, the attendance of 20% of shareholder shall be enough to sign before authentication office. In addition, the association extraordinary general assembly may delegate one person or more to sign on its behalf on the general meeting minutes.

Article (70)

Articles 814 – 843 of civil law issued by decree law no. 19 of 2001, resolution No. 9 of 2004 of the general regulation of management of floors and apartments title and resolution no. 10 of authenticating the agreement of forming owners association shall be applied to all matters not specifically provided for herein and in the contacts of sale of apartments located in the property, the subject matter of association between the parties to this association and Tala Property Development W.L.L.

Article (71)



All disputes arising with regard to this memorandum or the contracts and agreements referred to herein shall be referred to tribunal consists of three arbitrators. Each party shall select arbitrator within 15 days from the date of dispute. If the party failed to appoint arbitrator, the general assembly shall appoint an arbitrator on its behalf. The two arbitrators shall agree to select an arbitrator to chair the tribunal within 15 days from the date of appointing the last arbitrator of both of them. Arbitrators shall settle the dispute within 30 days, renewable for one time only, by the agreement of the parties to the dispute. The judgment issued by the tribunal shall be final and non-challengeable.

Article (72)

The parties hereto shall declare that they viewed the agreements and contracts referred to herein and that they agreed on the same being aware of the rights and obligations included in such agreements and contracts.

Article (73)

The costs of forming this association shall be the sole responsibility of the parties to the lawsuit, each in proportion to its share in the common areas.

Article (74)

Attachments:

- 1- Attachment no. (1) a statement of real estate units
- 2- Attachment no. (2) a schedule indicates the ratio of title of common areas of Tala Island and number of votes in the general meeting.

In witness whereof, this memorandum was executed in origin and three copies and signed after being read by me and the relevant parties. Each party received copy hereof to act accordingly when necessary. This is authentication on our part in this regard.

