

A.T.E.R

Territorial Board for Residential Housing

Of the Province of Verona

Piazza Pozza 1/c 37123 Verona

VATR Reg. No. 00223640236

Company register Verona Chamber of Commerce no. 204528/1996

**Regulations for self-management by residents
of the additional services and common spaces**

Art. 1

Establishment of self-management

Pursuant to art. 23 of Regional Law no. 10/1996, the managing Body promotes the establishment of self-management of the additional services and common spaces, calling the meeting of the assignees belonging to a single residential unit, as identified by the Managing Body.

The meeting must proceed with the appointment of the representative of the assignees who may also be chosen from the assignees.

The aforementioned representative assumes the responsibility of self-management carrying out the duties assigned to him by these regulations, and is the legal representative of the participants of self-management.

For residential units of more than twenty properties, or if the Managing Body deems it opportune, in addition to the representative one or more deputy representatives are elected with functions of collaboration and/or as deputies if necessary.

In the case in which several residential units form a residential complex as identified by the Managing Body, with general services in common, the representatives of the individual residential units converge in a coordination committee for the management of the common services.

Art. 2

Duties of self-management

The purpose of self-management is:

- Running and ordinary maintenance of the services, the plants, the spaces and common services, in the respect of the provisions in the regulations for the assignees of the rented properties;
- cleaning and use of common parts;

- The water, energy and heating, the purging of cesspits, running the water conditioner and any other service which comes under the competence of the assignees.

The operation and the ordinary maintenance of the installations must however be assigned by self-management to competent and specialized firms or persons, through a written contract.

As far as the lifts are concerned, if the Board enters into contracts of complete, ordinary and/or extraordinary maintenance, on subscription, 65% of the relative expense will be charged to self-management.

Ordinary maintenance may be, on the request of self-management, assigned on subscription to specialized firms chosen by self-management and authorized by the Board. In this case, the representative, before signing the contract with the firm chosen by the assignees' meeting, must be authorized in writing by A.T.E.R.

A.T.E.R reserves its exclusive faculty to assign to self-management the running and management of the lifts.

The meeting of assignees disciplines the use of the green spaces, the parts of common use and any premises at disposal for the meetings of the assignees, respecting their original purpose.

It is agreed that this use must be established for social purposes that respect the enjoyment, by all resident, of the parts indicated by the previous paragraph of this article.

Art. 3

Assignees' meeting

The assignees' meeting meets, for its ordinary session, within and not more than 90 days from the end of the financial year, to be established by the meeting, to examine and approve the statement of account and the budget that must be sent to the assignees at least fifteen days before the date fixed for the meeting.

The meeting also meets whenever the representative deems necessary or when it has received a request from at least one-quarter of the assignees.

The meeting passes resolution on self-management of the common services as per article 2 above.

The meeting is called by the representative by an individual notice of call, to be hand delivered with receipt of notification or sent by registered mail at least 10 days prior to the date fixed.

Notification must be given to the Managing Body, which has the faculty of attending the meeting with its own representative.

The notice must contain the indication of the venue, the date and the time of the meeting, the subjects to be put to the approval of the meeting, as well as the date and time of the meeting on second call.

The meeting is considered to have a quorum when at least two-thirds of the assignees are present on first call and at least one-third of the assignees on second call. For every meeting of the assignees a Chairman and a Secretary are elected.

Each assignee is entitled to be represented by another person with a written proxy at the foot of the notice of call: not more than two proxies to the same person are allowed.

The resolutions are considered valid if approved with the vote in favour of majority of the attendees.

The representative of the assignees must abstain from voting when his replacement, the statement of account of his management and operations he has adopted are being discussed.

The representative must notify the resolutions adopted by the assignees by affixing in the relevant spaces established by the meeting. Assignees who so request may receive a copy of the minutes of the meeting within 30 days from the date of the meeting, by hand-delivered letter with receipt of notification.

Art. 4

The representative of the assignees

At the start of each year, the representative must prepare a budget showing:

- 1) The costs that are estimated in the year for the self-managed services;
- 2) The amounts at the expense of each assignee according to the individual values per property, established by the Managing Body;
- 3) The breakdown of the amounts in periodic payments, each divided into the aforementioned items;
- 4) The establishment of a reserve fund according to the provisions of law on financial statements.

At the end of each year, the representative must draw up a final budget, divided into the aforementioned items, showing the expenses effectively borne with the division of the costs at the expense of each assignee, the amount of the payments made by the individuals, the relative negative and positive adjustments, the residual amount of the funds appropriated and the management of the reserve fund.

The representative must keep:

- a) The register of the minutes of the meeting, stamped by the managing Body;
- b) The accounts of expenditure and income where all the movements of money must be recorded.

The representative must also:

- c) Call the meeting of the assignees;
- d) Carry out the resolutions of the assignees' meeting;
- e) Sign in the name of self-management the contracts for the supply of services, as well as all the documents and contracts necessary for the operating activity where these are not

managed by A.T.E.R; in any case, the joint responsibility of all the assignees with regard to third parties and the Managing Body remains valid;

- f) Report to the Managing Body any requirements of extraordinary maintenance of the common parts;
- g) Ensure that these regulations are observed;
- h) Propose the internal regulations, to be submitted for approval of the meeting. That does not in any case contrast with the rules of a general nature laid down by the managing Body.

The representative must immediately report any presence of situations of danger to the relevant authorities (Fire Brigade, Local Health Authority, Council ...) as well as to the Managing Body.

The meeting of assignees may attribute remuneration to the representative to be debited to the common expenses.

Art. 5

Obligations of the assignees

The assignees must abide – as well as by the regulations of the rent contract and the regulations of the assignees of rented property – by the provisions of these regulations, the internal regulations and the resolutions of the assignees' meeting.

The assignees who purchase the property remain obliged to observe these regulations until the formal establishment of the jointly-owned property.

Assignees of shops and other miscellaneous premises included in the building in self-management are also obliged to observe these regulations.

No assignee may fail to pay the common expenses approved at the meeting.

An adequate reserve fund, which can be re-established, must be established at the expense of the assignees to ensure coverage of the operating expenses including in the presence of any insolvencies of the assignees.

Art. 6

Relations of good neighbourliness

The behaviour of the individual assignees with the other residents of the building must be based on the normal rules of good neighbourliness aimed at avoiding reasons for disagreement and to guarantee, to all those so entitled, the peaceful enjoyment of the allocated property and the common parts.

Art. 7

Use of common services

The use of common things, spaces and services concerns:

- a) The uncovered areas of appurtenance to the individual buildings, such as courtyards, flowerbeds, paths etc... with the exception of any portions of soil which, by contract, are for

individual use or limited to a part of the assignees (allotments, gardens, portions of courtyard in front of the apartments on the ground floor and marked off by vases, flowerboxes etc...)

- b) The common premises, the meter rooms, the box rooms for common use, the corridors and the landings, the cellars and the common services, the installation of any type (lifts, central heating, irrigation...) the stairs and the access ramps to the upper floors, the washing lines, the terraces for collective use, and every other part of the building that is not contractually pertinent to the individual homes;
- c) The system for the collection and disposal of black and white sewage waters and rainwater, including discharge pipes, collection tanks and pipes, to the public sewage service;
- d) The water supply, electricity, telephone, methane gas and miscellaneous pipes to the individual meters.

Art. 8

Internal regulations

The meeting of the assignees approves internal regulations, the relative resolution will be valid with the vote in favour of the absolute majority (50% + 1) of those entitled to vote.

The internal regulations will discipline the cleaning of the common parts, the conditions for using the washing lines, the times for shaking and hanging out carpets, blankets etc., the times for the respect of silence, the times of the opening of the gates, as well as other requirements closely connected with community life in the building.

The internal regulations cannot contain any rules that are in contrast with what is established in the rental contract, in the regulations of the assignees of rented property, in the regulations of self-management of the additional services and common spaces, in the laws in the local regulations currently in force.

The internal regulations and the relative minutes of approval must be sent to A.T.E.R by the representative of the assignees.

Art. 9

Disputes

For everything that is not explicitly contemplated in these regulations, formal reference must be made to the contents of articles 1100 and following of the Civil Code, as well as every other provision of a legislative character of competence of the Department of Hygiene and the Police.

In the case of disputes between self-management and A.T.E.R., the parties may address the territorially competent judicial authority (Justice of the Peace, Court...).

In the case of disputes or disagreements arising between assignees in rented property and/or joint owners, or between the latter and the representative/administrator, including with regard to the interpretation or application of the regulations of the jointly-owned building, self-management and the internal regulations, the first person the assignees must contact will be the representative of self-management, who, after having attempted to resolve the question directly with the assignees, may address the Department for Relations with the Public of A.T.E.R.

In the event of the continuation of disputes or disagreement, each party concerned may address the Justice of the Peace competent for the causes relative to the measure and the procedures of the services of the jointly-owned building or the Court.

In the cases of significant and lasting infringement of the regulations of self-management, the representative of the assignees, following the decision adopted by the meeting of the assignees, may report, as well as to A.T.E.R. also to the territorially competent local council, for the evaluation necessary for the possible start of the procedure of loss of allocation.

Art. 10

Global insurance for buildings and third party liability

The representative of the assignees must report to A.T.E.R any event and damage that in any way and for whatever reason is caused to the building, to the services, to the installations and to the common parts as quickly as possible, and in any case within 3 days, specifying the circumstance of the event and keeping traces and residue of the accident. In the case of serious accident, the notification must be anticipated by telephone and/or by fax, to allow the Board to make the report to the Insurance Company within the time limits laid down by the insurance contract.

Art. 11

Powers of the managing body

For the sole purpose of the protection of the assets which are the subject of self-management, the managing body has the right of inspection and control; the representative and the assignees are consequently obliged to allow access to the building to the appointees of the managing Body.

If damage to the building, to the common spaces or to the installations were to be found in the running by self-management, the Managing Body will proceed to notify the self-management of what has been found, In the event of non-action by the self-management, the Managing Body will automatically carry out the necessary action and the relative cost will be debited to the self-management.

Art. 12

Bodies of self-management

In addition to the meeting and the representative of the assignees, if deemed necessary, the Board may promote the establishment of the following bodies:

- Area and provincial meeting of the representatives of the assignees; it includes the representatives elected throughout the province;
- Local and provincial coordination of the representatives of the assignees, made up of a number of members varying between 3 and 9, in proportion to the number of residential units existing in the area.

The meeting and the local and provincial coordination of self-management are in any case consultative bodies, which are called by A.T.E.R.

Art. 13

Payment of amounts for service charges

The assignees are obliged to pay the service charge amounts **punctually**, in the amount and on the due dates decided by the meeting of assignees.

In the event of late payment, the representative may request the default interest equal to legal interest in force.

For the assignees who are defaulting with regard to self-management of the service charges, regularly approved by the meeting and at their expense pursuant to these regulations, provisions of law or from administrative or judicial provisions, the representative of the assignees will recover the sums due, proceeding, by analogy on the jointly-owned building, legally according to the rules of the Civil Code.

As an exception, for ascertained serious motives or documented impossibility of the representative of self-management to recover the sums due, A.T.E.R. may intervene by anticipating to the same the above sums; in this case, the defaulting assignee will respond to A.T.E.R. in the same ways and with the consequences for defaulting payment of rent.

If, following anticipation, the assignee pays the sums due to the representative of self-management, the same must immediately return to the managing Body the amount anticipated. The above sums may in no case be retained by the representative of self-management to cover subsequent defaults. On the late return of the amounts of self-management, the Board will automatically apply the legal interest with effect from the time of the effective payment by the assignee to the return.

In any case, before making the request for anticipation, the representative of self-management must have used at least 2/3 of the reserve fund (as per art. 4 of these regulations) and document having implemented every possible procedure to recover the sums.

If in the residential unit there are properties which are not rented, the Managing Body will pay the self-management the additional service charges and costs of common areas for the relative amount.

Art. 14

Conclusive regulations

For everything that is not specified by the legislation on residential building and by these regulations, reference is explicitly made to the regulations on common property as per art. 1100 and following of the Civil Code.

These Regulations were approved by the Board of Directors at the meeting on 3rd October 2000, registered at the Registry Office of Verona on 31/10/2000 under no. 7942 Private Agreements Series 3a and enters into force with effect from 1.01.2001.