REGULATIONS 22.1.18

for the condominium owners of the apartment complex

A) DISTRIBUTION OF THE PROPERTY

I FORMATION OF CONDOMINIUMS

1. On the parcel No. 232 of the municipality of Leukerbad there is condominium ownership in accordance with the Art. 712a ff. of the Civil Code.
2. Each floor represents a co-ownership share, with a special right to exclusively use and expand certain parts of the building.

II DIVISION OF THE PROPERTY

1. The property is divided into condominiums.
2. The division of the building is shown in detail in the distribution plan, which forms an integral part of the statement of grounds.
3. The privileged use is inseparable from the respective co-ownership.

III CHANGE OF THE VALUE RATIO

1. Changes of the value ratio require the consent of all parties directly involved and the approval of the assembly of the condominium owners.
2. The same applies to the change in the allocation of individual rooms with a privileged access.
3. In order to be valid, all agreements must be officially certified and recorded in the Land Register.
4. Each owner is entitled to a correction of the value ratio if it has been incorrectly determined or has become incorrect as a result of structural alteration of the building or its surroundings

IV SECTIONS WITH A PRIVILEGED USE

The privileged use includes the rooms and facilities belonging to the relevant floor. The location and the size of the rooms are recorded in the statement of grounds and in the distribution plan.

V THE SHARED SECTIONS

1. The shared sections include in particular:

- the property's land;
- the components that contribute to the persistence and stability of the building or other floor owners' rooms

that determine the external appearance of the building;

- all facilities that serve other condominium owners to use their rooms,
  whether located inside or outside the sections where the special right applies.

2. Special rights of use established in the statement of grounds are reserved to the individual condominium owners.

B) THE USE OF THE ROOMS WITH A PRIVILEGED ACCESS

I. Policy

1. The condominium owner is free to manage, use and structure the design of its own premises, as far as this is compatible with the same rights of all other condominium owners and the interests of the community and if this regulation contains no further restrictions. Regarding the exclusive rights of use of the condominium owners, reference is made to § 16 WEG 2002.

2. Changes of the property that make it difficult or impossible for the condominium owners to use their rooms can only be made with their consent.

II. Restriction of the right of use

1. The condominium owner is prohibited to alter the space or to use it in a way that harms or impairs the function of the common construction units, facilities and equipment, decreases the value or good looks of the home and damages the property of other owners.

2. The house rules and regulations remain reserved.

3. The owner of the condominium is required to make his StWE (the management of floor property associations) share available to the operator who will manage the flats for 48 weeks per year. The condominium owner has the right to use his property during 4 weeks of the year in low season. The low season is determined by the operator.

III. OBLIGATORY MAINTENANCE OF THE FLOOR

1. Each floor owner is obliged to maintain his rooms and facilities properly, in order to keep the building in a good condition and preserve its good appearance. He has to maintain his rooms at his own expense and to carry out the necessary repairs. The maintenance and repair costs of the general parts are regulated in the paragraph D.II.
2. If the condominium owner does not comply with this obligation after having received a notification, the administrator can take measures and execute the required work at the owner's expense.

IV. RESPONSIBILITIES OF THE FLOOR RESIDENTS

The owner of the condominium is responsible for ensuring that the community rules are observed by his relatives, employees, tenants, beneficiaries, etc.

C) THE USE OF THE SHARED SECTIONS AND FACILITIES

I. USE OF SHARED FACILITIES

Each condominium owner is authorized to use the shared sections and facilities as far as this is compatible with the equal rights of other residents and with the interests of the community.

All changes of the facade must be approved 75% per capita and value ratio. All modifications of the facade, and in particular the installation of signs, must comply with the valid municipal and cantonal building regulations.

II. HOUSE REGULATIONS

More detailed regulations of the use of the floors as well as the shared sections and facilities are established in house regulations.

(D) THE COSTS OF ADMINISTRATION AND MAINTENANCE OF SHARED SECTIONS

I. Concept of collective costs

All administrative costs and the costs arising from the use, maintenance and renewal of the shared sections are collective.

II. PRINCIPLE OF DISTRIBUTION OF SHARED COSTS

1. The costs relating to the community of the condominium owners are divided among the owners according to the value ratios.

2. If the level of use of the individual facilities has undergone a permanent and significant change for reasons that lie in the condominium owner, a different distribution of the costs may be required.

2. A condominium owner that increases the communal burdens by circumstances due to his behavior, shall be responsible for the caused expenses.

III. DEVIATION FROM THE PRINCIPLE OF THE DISTRIBUTION OF COSTS

The cost allocation for the heating and hot water supply is done according to the measuring devices installed in the building.

The costs of the washing machines are regulated by the coin machines.

IV. RENEWAL FUND

1. A renewal fund shall be set up to partially cover all maintenance, repair and renewal costs for all condominium owners.

2. A contribution, which is determined by the community of the condominium owners, is to be made to

this fund annually. The condominium assembly is authorized to set the amount of a minimum deposit.

3. The congregation of the condominium owners decides on the payment date of the annual contributions as well as on the use of the renewal fund.
4. The condominium owner is not entitled to reimbursement of his share in the renewal fund.
5. The contributions are collected by the administrator.

E) MAINTENANCE, CONSTRUCTION AND RENOVATION OF THE BUILDING

I. Insurance of the building

The insurance of the entire building against fire and other dangers as well as the liability of the property owner is a common concern of all owners of the building. The insurances are initially signed by the founders and the condominium community is obliged to take them over.

II. Construction measures

1. The Community must carry out all the maintenance, restoration and renovation work necessary to maintain the value and serviceability of the property.
2. In other cases, the regulations 647 c and e ZGB apply respectively.

F) ADMINISTRATION

I. The members of administration

1. The community of condominium owners elects an administrator that represents their interests. The administrator is elected for the term of one year. On the occasion of the general annual assebmbly of condominium owners, the position of administrator is confirmed in office or a new administrator is elected by the condominium owners. In addition, the administration elects a secretary who is responsible for keeping the records.
2. The community of condominium owners make decisions in the areas assigned to them by regulations, statement of grounds and law.

II. COVOCATION AND CONDUCTION OF THE ASSEMBLY OF THE CONDOMINIUM OWNERS

1. The general assembly is summoned and conducted once a year by the administrator, with an observation of a period of at least 14 days. The subjects to be treated will be stated in a written notification.

   2. The meeting will take place in the house on the plot number 232. The condominium owners can also remotely participate in the 2nd condominium meeting. The administration will create the necessary digital conditions for this.

3. Annual bills as well as applications for the distribution of the communal costs are to be delivered to the condominium owners within the same deadline or to be placed in the property with a corresponding notice. On the occasion of the general condominium owners' assembly, a resolution is passed concerning the extension of the janitor's position and the confirmation of the administrator or a new election of the administrator of the condominium community.
3. The financial year ends on the 31st of May and the annual general assembly takes place not later than at the end of September.
4. Extraordinary assemblies may take place as often as the administration considers necessary or when is required by one or more condominiums owners that own at least one quarter of StWE (Chamber of Condominium Owners) shares.
5. The decisions of the assembly are recorded, signed by the administrator and secretary and kept safe by the administrator.

III. **QUORUM**

1. The assembly has a quorum if the half of all the condominium owners, who are also entitled to the half of all shares, or at least two of them, are present or represented.
2. In the event of insufficient participation, another assembly must be summoned, which may not take place until 10 days have elapsed since the first assembly.
3. The second assembly has a quorum if one third of all condominium owners, but at least two of them, are present or represented.

IV. EXECUTION OF VOTING RIGHTS

1. Each floor owner has as many votes as his value ratio. If several persons share a floor ownership, then they have the votes according to their value, which they may cast through a representative.
2. If a condominium owner has more than one floor, he may claim the rights for each floor separately. However, he has only one vote for the calculation of the voting power.
3. A condominium owner can be represented by any third party.
4. Condominium owners that live abroad must have an authorized agent that lives in Switzerland.

V. VOTING RIGHT IN CASE OF USUFRUCT

The beneficiary of a floor must agree with the owner on the use of his voting right, otherwise the beneficiary is entitled to vote except in cases of useful construction measures meant to embellish the building or make it more convenient.

VI. RESOLUTION

1. The assembly passes its resolutions with the majority of the voting shareholders, with the exception of the

cases specifically mentioned in the law or regulations.

2. In case of a tie vote, the administrator makes the final decision.

3. Any resolution of the assembly may be replaced by a written consent of all respective floor owners.

VII. CHALLENGE OF THE ASSEMBLY'S DECISIONS

If there are any resolutions of the assembly that violate the law, the statement of grounds or the regulations, each condominium owner can challenge them within one month after being informed of them.

VIII. ELECTION AND DISMISSAL

1. The assembly elects an appropriate administrator who may be a condominium owner or an outsider. The first administrator until the annual meeting is Mr. .....

The administrator must be adequately compensated.

2. The administrator may be dismissed at any time by the assembly. The contractual claims remain reserved.

IX. AGREEMENT WITH THE ADMINISTRATOR

The election of the administrator initially takes place for a period of three years. Afterwards, the appointment can be extended for another year if the assembly does not decide otherwise.

X. RESPONSIBILITY AND AUTHORITY

1. The administrator has the responsibility and authority in accordance with the statutory provisions (Articles 712 a and 712 t ZGB).

2. Furthermore, the administrator is obliged:

a) to keep all documents and plans;

b) to make a report at the annual assembly concerning the management and the annual financial statements and to give an account of the current situation on request;

(c) to provide any time the required information about the condominium owners' community affairs and grant an access to the relevant books and records;

d) to write an estimation, a distribution list and annual accounts.

XI. APPEAL AGAINST THE ADMINISTRATOR'S AUTHORITY

1. The owner of the condominium may appeal to the congregation of the condominium owners against autonomous regulations of the administrator within 14 days.

2. The assembly makes the final decision concerning the appeal.

G) MANAGEMENT OF THE APARTMENTS

1. A mandated operating company manages the apartments. The operating company manages and administers the apartments of the owners, who want to rent their apartments on a weekly or daily basis in addition to their own use .

The operating company has, inter alia, following tasks, however, the list is not exhaustive:

● Maintenance of the building – namely, of general rooms and the infrastructure of the building (the maintenance of the lift, the fire protection system with fire extinguishers, completion of a corporate insurance, snow removal, waste disposal, maintenance of the electrical equipment, keeping a business account, gardening / grass sprinkling and mowing, ordering craftsmen to repair the general sections and the sections with a privileged use, whereby in case of the flats with a special right the homeowner's consent is required prior to the assignment of the work.

● Management and marketing of the property (naming, advertising, marketing, management of the guest booking system, handling of guests' arrivals and departures (check in / check out), collection of taxes and billing with the community, requesting a deposit from the guests before the commencement date, checking the apartments for any damage caused by the guests and, if necessary, use of the deposit to remedy the defects, customer care, linen change, changing the bath towels, providing soap, etc., calling craftsmen to repair smth.

● Guest reception, customer service, cooperation with the local tourist center and other rental companies to ensure the best possible utilization of the properties, online marketing and presence on online booking portals.

2. Excelion AG will conclude the first contract with the operating company. On the occasion of the first general assembly of condominium owners, the owners can cancel the management contract by a majority of 75% according to quotas and per capita and conclude a contract with another operating company, as far as this is allowed within the termination conditions of the existing management contract.

3. The apartments are managed in a pool system, which means that the rental income of all rented units is shared between the floor owners according to the enclosed list, which refers to the number of beds, after all the expenses are deducted from the revenues. The special regulation in the paragraph no. 5 regarding distribution of restoration income remains reserved. The condominium owners can quit the "pool management" system by a majority of 75% per capita and by the value ratio.

4. Each condominium owner has the right to remove his apartment from the management pool and market his apartment with the help of a third party management company. All floor owners participate in the management costs, which are invoiced by the management company, according to the attached allocation plan.

F) MISCELLANEOUS

I. Notes on the Regulations

1. These regulations are noted in the land register.

2. The administrator of the community is required to be aware of any changes in the regulations.

II. **AMENDMENT OF THE REGULATIONS**

1. These regulations may be amended at any time by the assembly of the condominium owners.

2. This requires the majority of all condominium owners, who are together more than half-entitled.

3. The consent of all condominium owners in the prescribed cases remains reserved.

III. GENERAL JURISDICTION AND DOMICILE CLAUSE

The condominium owners expressly submit themselves to the jurisdiction at the location of the property, in case of all disputes arising in the community relationships, and for the foreign residents explicitly in case of peculiar and suspicious operations.

IV. ARBITRATION

1. All disagreements and disputes arising between the condominium owners in the community relationships shall be settled exclusively and finally by an arbitral tribunal.

2. The arbitral tribunal is located at the place where the property is located.

3. The tribunal shall also rule on the exclusion of a condominium owner, on the reasons for an objection to the divestment, on disputes between the community of condominium owners on the one hand and the administrator on the other hand.

4. The arbitral tribunal is formed as follows:

Each party designates an arbitrator, who appoint a chairman together. If a party does not designate an arbitrator within 20 days after the request or if the arbitrators cannot agree on the person of the chairman within the same time limit, the member of the arbitral tribunal shall be designated by the president of the cantonal court at the request of one of the parties.

5. The arbitral tribunal adjudges on his own how to proceed.

V. REFERENCE TO STATUTORY PROVISIONS

1. Unless otherwise stated in these regulations, the provisions of the Swiss Civil Code referring to condominiums (Article 712 a ff.) and to co-ownership (Articles 647 and 647 a ff.) apply.

2. In addition, the regulations governing the organs of the association (Articles 64 et seq.) apply to the assembly of the condominium owners.