

Pozsonyi Road Housing Maintenance Co-operative
H-1133 Budapest, Kárpát utca 10.

Basic Standards

It shall apply from 3 April 2012,
consolidated text with changes

adopted by the General Meeting of the Pozsonyi Road Housing Maintenance Co-operative by resolutions
No. 6.a/02.04.2012 and 6.g/02.04.2012.

I.

GENERAL INFORMATION OF THE HOUSING ASSOCIATION

Company name of the cooperative:
Pozsonyi Road Housing Maintenance Co-operative

The registered office of the cooperative shall be:
H-1133 Budapest, Kárpát utca 10.

The legal supervision body of the cooperative is:
Metropolitan Court of Registry

Number of the housing association's commercial register:
01-02-050736

Statistical number of the housing association:
10113945 6820 593 01

Account manager and accounts of the housing association:
Account manager: OTP Budapest XIII. dist. branch (1136 Bp. Tátra u. 10.)
Accounts:

11713005-20015312-000000000
11713005-20033514-000000000

A cooperative is a legal entity.

2

II.

PURPOSE OF THE HOUSING ASSOCIATION

The aim of our cooperative is to maintain (operate, maintain, renovate) and ensure its proper use of the cooperative's residential buildings and other facilities with the personal contribution and financial contribution of its members, using the advantages inherent in the cooperative.

It also aims to continuously develop residential building maintenance activities and leasing in accordance with the characteristics of the housing association, the internal organization performing them, and to perform the tasks at the highest possible level.

III.

FIELD OF ACTIVITY OF THE HOUSING ASSOCIATION

68.20.08 Leasing and operation of owned, rented real estate (*Main activity, core activity*)

IV.
ORGANS AND OPERATION OF HOUSING ASSOCIATIONS

1. General Meeting

The supreme body of a housing cooperative is the general meeting.

1.1 The General Meeting shall be responsible for:

- a) laying down and amending the statutes,
- b) the election and dismissal of the members and chairman of the board of directors,**
- c) election and dismissal of the chairman and members of the supervisory board,
- d) fixing the remuneration of officials,
- e) **adoption of the report on the implementation of the previous year's budget** and the current year's budget (estimate of costs), deciding on the use of profit after tax and the source of coverage of losses, and, if necessary, ordering additional payments,
- f) **decision to merge, divide and dissolve the housing cooperative,**
- g) the division of assets relating to the separation,**
- h) changing the use and use of building parts owned by the housing association, in accordance with Section 15 (5) of the Housing Cooperatives Act**
- i) decision to join or leave the housing cooperative association,
- j) deciding to sue an official for damages or to file a criminal complaint,
- k) deciding on the level of maintenance and renovation costs of cooperative residential buildings,
- l) decision on taking out a renovation loan of the cooperative, its amount, payment obligations and legal insurance of owners,
- m) deciding on the establishment of new facilities for the cooperative and determining the costs involved,

1.2 Convening and holding general meetings

1.2.1 The General Meeting shall be convened by the Executive Board, unless otherwise provided by law. General meetings shall be convened as necessary and at least twice a year .

1.2.2 A general meeting shall be convened if it is proposed in writing by at least ten per cent of the members or by the Supervisory Board **with an indication of the agenda**, the reason **and the proposal for a decision of the general meeting. If the Board of Directors fails to convene a general meeting within forty-five days of receipt of the proposal, the** Board of Supervisors shall be entitled to convene it within thirty days of the date of the forty-fifth day , or, failing this, the members who requested the meeting or a person authorized by them.

1.2.3 The general meeting shall be convened in writing at least fifteen days before the date of the meeting, indicating the agenda, and at the same time a copy of the invitation shall be displayed in a prominent place. **The invitation shall be accompanied by written submissions of the agenda put to the vote and a proposal for decisions of the general meeting.**

1.2.4 General meetings may be convened by announcement.

1.2.5 The notice or notice of general meeting shall contain:

- the name and registered office of the housing association;
- the agenda, time and place of the general meeting;
- where section meetings are held, a reference to that circumstance;
- the date of the resumption of the general meeting and a statement of attention to the different quorum rule.

1.3 Quorum and decision-making

1.3.1 A quorum shall exist at a general meeting if more than half of the members attended. The Chair shall establish a quorum.

1.3.2 In the case of a general meeting without a quorum or adjourned for this reason, a new general meeting shall be held within 15 days of the general meeting without a quorum and with the same agenda as the original one, remaining thereafter in the event of closure of the general meeting (hereinafter referred to as "repeated general meeting"). The repeated general meeting may be fixed in the invitation to the original general meeting on the date of the general meeting without a quorum, subject to the quorum of the original general meeting. The repeated general meeting shall constitute a quorum, regardless of the number of members present.

1.3.3. No resumption of general meetings may be held:

(a) decisions to be taken in connection with the merger, division and dissolution of a housing association,

(b) where the statutes so provide, except in the case of decisions to be taken on the division of assets in connection with a spin-off

1.3.4 The resumption of the General Meeting may take decisions only on items on the original agenda.

1.3.5 Unless otherwise provided for by law, statutes or general meeting, decisions of the general meeting shall be taken by vote of more than half of the members present and by open vote. **No valid decision may be taken on a matter not included in the published agenda.**

1.3.6 Only one vote per apartment shall be taken into account at the general meeting. If the apartment is owned by several members, only one vote – the same vote – per apartment shall be taken into account, while none of the votes cast contrary shall be taken into account.

1.3.7 A member of a housing association may be represented at the general meeting on the basis of a written authorisation. The power of attorney shall be valid only in writing, and the rules governing formality, authentic and private documents shall apply mutatis mutandis. Otherwise, the power of attorney is governed by the Civil Code. **shall** prevail.

1.4 Minutes of the general meeting

1.4.1 Minutes of the general meeting shall be drawn up, which shall include in particular:

- a) the names of the chairman chairing the general meeting, the registrar and the members elected to certify the minutes;
- b) an attendance list showing the number and names of members present and the name of a person authorised by the member;
- c) establishing a quorum for the general meeting;
- d) a summary of the cases (motions) dealt with by item on the agenda,**
- e) the decisions taken by the general meeting and details of the results of the vote.

1.4.2 The minutes shall be signed by the chairman of the general meeting and the registrar and authenticated by the two members of the housing association elected for that purpose at the general meeting.

1.4.3 Any member may inspect the minutes and request a copy of them, subject to payment of the cost of copying.

1.4.4 The Board of Directors shall communicate the decisions taken at the general meeting to all shareholders in writing within 30 days of the holding of the general meeting or, in the case of a written vote, of the deadline for voting. This provision shall also apply to the communication of decisions of a non-member owner to impose and fulfil payment obligations in respect of his dwelling.

1.5 General Assembly:

1.5.1 General meetings in our housing association may also be held in the form of partial general meetings.

1.5.2 Sub-assembly districts:

- 1. Division No: Building B-1 (1133 Bp. Kárpát utca 8-16.)
- 2. Division No: Building B-2 (1133 Bp. Kárpát u. 18-26.)
- 3. Division No: Building C-1 (1133 Bp. Kárpát u. 38-48.)
- 4. Division No: Building C-2 (1133 Bp. Kárpát u. 50-60.)

1.5.3 Section meetings shall be held on the same agenda and votes shall be counted.

1.5.4 The powers and procedure of the section meeting shall be governed by the rules applicable to the general meeting.

1.6 Taking decisions without convening a general meeting

1.6.1 The membership of our cooperative may vote in writing without holding a general meeting, if the decision can be taken in this way. No written vote may be taken on the votes referred to in Article IV.1 of these Statutes. a.) — **g.)** in the questions set out in this section.

1.6.2 The Management Board shall be responsible for organising, preparing, conducting and communicating the result to the members of the written vote.

1.6.3 For matters put to the written vote, the Management Board shall:

- send members a brief written notice containing the most important information necessary for a decision,
- enclose the ballot paper containing, in advance or typed, the words " YES" – " NO" – "ABSTAIN" in addition to the subject.

1.6.4 Even if the apartment is owned by several members, only one ballot paper may be issued.

1.6.5 The delivery of ballot papers must be certified.

1.6.6 Members shall cast their votes by underlining the relevant text on the ballot paper.

1.6.7 A proposal becomes a decision when more than half of the members entitled to vote vote in favour or against, except for decisions taken by qualified majority.

1.6.8 Members shall have at least 15 days to cast their written vote. The counting of votes shall be the subject of minutes specifying:

- the number of members who took part in voting,
- aggregated data on ballot papers,
- the adoption or rejection of the proposal submitted.

1.6.9 2 (two) non-office members take part in the counting of votes, who also certify the summary minutes together with the Chairman of the Management Board and the Chairman of the Supervisory Board.

6

1.6.10 The results of written votes and decisions shall be posted on the cooperative's notice board or by announcement within 15 days of the end of voting, and communicated to members by service within 30 days of the deadline for voting.

2. Directorate:

2.1 The Board of Directors of 5(five) members shall be elected by secret ballot of the general meeting of the cooperative.

2.2 Only members of the cooperative may be elected members and chairman of the Board of Directors.

2.3 The Chairman of the Executive Board shall be elected by special vote at the General Meeting from among the members of the Executive Board. The Chairman of the Board of Directors is also the President of the Cooperative.

2.4 The term of office of the Executive Board shall be 5 years.

2.5 The Board of Directors organises and manages the operation and management of the cooperative in accordance with the law, the statutes and the decisions of the general meeting.

2.6 Prepares or commissions the regulations necessary for the operation of the housing association.

2.7 Establish and manage the work organisation of the housing association and exercise all employers' rights that do not fall within the competence of the general meeting.

2.8 It decides and takes action on all matters relating to the operation and management of the cooperative which are not delegated by law or statutes to the general meeting or to any other organ of the cooperative.

2.9 Decides on property applications requiring and not requiring building permits relating to the alteration of the building and apartments.

2.10 In particular, it is responsible for:

- a) duty and right to regularly monitor the condition of residential buildings, ensure their good maintenance and operation;
- b) ensure the preparation and implementation of renovation work:
 - (b1) in the case of a renovation loan by a cooperative:
 - elaborate and submit to the general meeting technically substantiated data on which the amount of the loan is based, and
 - details of the collateral of the loan, the order of repayment and the payment obligations of the owners.
 - ensure that the cooperative repays the loan in a timely and proper manner;
- c) take action against non-member and non-member holders;
- d) the General Meeting shall ensure the utilisation and leasing of common premises and facilities not used by members on the basis of its decision and authorisation;
- e) convene the general meeting and arrange for its preparation;
- f) decide on membership admissions and expulsions.**

2.11 At least once a year, the Board of Directors must report to the General Meeting on the property, financial and income situation of the housing association and on its own activities.

2.12 The Board of Directors shall respond in writing to the member's written request concerning the housing association and its rights and obligations, or to the questions raised therein, within 30 days of receipt. **The reply shall not contain any information that could enable the member to become an unauthorised controller.**

2.13 In the event of a change of ownership of an apartment owned by a member, the Board of Directors shall, at the request of the member, provide a written declaration of the cost debt. If there is a debt, the amount of the arrears shall also be indicated in the declaration. Liability for the content of the written statement shall be governed by the rules of the Civil Code.

3. Supervisory Board:

3.1 The **general meeting of our cooperative** elects a supervisory board consisting of 3 (three) members. The chairman and members of the Supervisory Board shall be elected by secret ballot from among the members of the General Meeting for a period of 5 years.

3.2 The Chairman of the Supervisory Board shall be elected by special vote of the General

Meeting.

3.3 A cooperative may not enter into employment relationships with the chairman and members of the supervisory board.

3.4 The Supervisory Board shall be responsible for:

- a) examine any matter relating to the operation of the organs of the housing association and management, and inspect the files of the housing cooperative;
- b) request information from officials, employees and members of housing associations or non-member owners; officials and servants may not refuse to comply with a request for production of documents and explanations;
- c) request the Management Board to act in accordance with the law, the statutes or the decisions of the general meeting;
- d) propose the dismissal and impeachment of the Board of Directors and the convening of a general meeting;
- e) convene a general meeting if the Management Board fails to comply with its obligation to do so;
- f) on the basis of the annual report, give an opinion to the general meeting on the management of the housing cooperative; without this, no valid decision on the annual accounts can be taken;
- g) express opinions on other accounts and reports submitted to the General Assembly;
- h) make proposals to the General Meeting for fixing the remuneration of officers;
- i) report on its activities to the General Meeting at least once a year.

8

3.5 The board of directors of the housing association or the general meeting is obliged to discuss the proposals and proposals of the supervisory board on the merits and to decide on them and adopt a position on them within 30 days and the general meeting within 60 days at the latest.

3.6 The chairman of the supervisory board – or a member of the committee appointed by him – shall take part in meetings of any body of the housing association with the right to deliberate.

3.7 The public inspection bodies must inform the Supervisory Board of the commencement of the inspection and allow it to participate.

4. Officers:

4.1 Chairman and members of the Executive Board and Chairman and members of the Supervisory Board.

4.2 You may not be an officer:

- a) who is not a member of a housing association;
 - b) **who has a criminal record,**
 - c) **who is the subject of a disqualification from engaging in an occupation which excludes the pursuit of an activity, in a housing association pursuing the activity specified in the judgment,**
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- d) **who has not fulfilled a legally established payment obligation arising in connection with his/her activity with a housing association,**
- f) **who does not meet the professional requirements laid down in the Statutes and does not have five years of work experience.**

4.3 The rules of choice are as follows:

- a) **a three-member nomination committee shall be elected at the general meeting preceding the election;**
- b) **the task of the committee is to register candidates and verify compliance with the conditions set out in the Housing Co-operative Act, taking into account Section 30 (2-6) of the Housing Co-operative Act (qualification requirements, official certificate issued by the criminal records body, checking conflicts of interest, requesting a declaration of acceptance). A member of a housing association applying for the position of official shall prove to the nomination committee by means of an official certificate that there are no grounds for exclusion against him;**
- c) **the nominating committee, its right to process data lasts until the election of the officers;**
- d) **A three-member polling and counting committee shall be elected at the general meeting. Their task is to distribute the ballot papers and supervise the ballot box during the voting period, as well as to count the votes and announce the final result after the end of voting.**

4.4 Professional requirements:

The Chairman of the Management Board and the Supervisory Board must have a university or college degree, while the members of the Board of Directors and the Supervisory Board must have at least a secondary vocational qualification (technical, financial, accounting, economics or property management).

4.5 Conflicts of interest:

4.5.1 Close relatives and partners within the meaning of the Civil Code may not be officers of the same housing association. In this case, there is also a conflict of interest between the persons entrusted with the management of funds and materials, their immediate superior and the chairman and members of the supervisory board.

4.5.2 The chairman and members of the board of directors of a housing association may not be elected as members of the supervisory board and vice versa.

4.6 A person may be elected as an official of more than one housing association, but the candidate must inform the housing associations concerned in writing in advance of his/her candidacy for several offices.

4.7 Officers are required to exercise the care normally expected of persons holding such offices. They are jointly and severally liable for damage caused to the housing association by breaching their obligations under the rules of civil law. The former shall not be liable to an official who voted against the decision or objected to the measure and notified his opposition to the supervisory board in writing.

4.8 The official's term of office shall be terminated:

- a) at the end of the term of office;
- b) upon the death of the official;
- c) by dismissal by the general meeting
- d) by resignation to the electoral body, which, in the case of chairpersonship, shall also terminate the membership of the Management or Supervisory Board,**
- e) upon termination of membership of a housing association.**

4.9 An official shall cease to hold office if he or she fails to remedy the grounds for exclusion or conflict of interest within fifteen days of its occurrence and fails to provide credible written proof in accordance with the relevant grounds for exclusion or conflict of interest. In the case of grounds for exclusion or conflicts of interest vis-à-vis the Chairperson or members of the Management Board, the Chairperson of the Supervisory Board and, in the case of grounds relating to the Chairperson or members of the Supervisory Board, the Chairperson of the Management Board shall be provided with the necessary certification.

4.10 An official who has ceased to hold office shall, at the written request of the Board of Directors **or the Supervisory Board**, perform the tasks specified therein and pay the same remuneration, act as a managing officer in the performance of the activities of the housing association until the new official is elected, but not later than ninety days after termination of the mandate.

4.11. If the term of office of an official ends before the expiry of the period laid down in the statutes, a by-election shall be held within 60 days at the latest. The term of office of an official so elected shall end at the same time as the other officials and on expiry of their term of office.

10

4.12 Terminated and newly appointed officials are obliged to record the handover of their duties, the necessary documents and unfinished pending cases.

V.

MEMBERSHIP OF HOUSING ASSOCIATIONS

1. Origins of membership:

1.1 Members of housing associations must be:

- a) satisfies the conditions laid down in the statutes,
- b) the owner of the apartment,
- c) acknowledges the provisions of the statutes as binding on itself in a written declaration and undertakes to fulfil the payment and other obligations prescribed in accordance with the purpose of the housing association.

1.2 In accordance with the principle of open membership, the requirement of equal treatment must be maintained in the admission of members and in determining their rights and obligations.

1.3 A minor under the age of fourteen and a minor over the age of fourteen who has been placed under incapacitated guardianship may apply for membership on behalf of his or her legal

representative. A minor over the age of fourteen may become a member of a housing association with the consent of his or her legal representative.

1.4 The application for membership of the person who owns the apartment cannot be rejected if he meets the conditions set out above.

1.5 If a dwelling is owned by several persons, each joint owner may apply to become a member of the housing association.

1.6 The Management Board shall decide on membership at its next meeting following the submission of the application for membership, but not later than three months. The decision shall be notified to the person wishing to join and the general meeting (partial assembly) shall be informed.

1.7 Membership is established retroactively to the date of the application for admission.

1.8 If the application for membership is rejected, the dispute shall be decided by the court.

2. A member shall have the fundamental right to:

- a) participate in the activities of the housing cooperative and share in the results of the housing cooperative's management in accordance with their personal contribution and financial contribution,
- b) use the services provided by the housing association to its members,
- c) participate in the general meeting with the right to deliberate and vote,
- d) hold office in a housing association,
- e) request information from officials on any matter relating to the housing cooperative, and inspect the statutes and the minutes of the general meeting, as well as documents relating to its rights and obligations, and request copies thereof, subject to payment of copying costs,
- f) The reply to the Member shall not contain any information which could make the Member an unauthorised controller.**

11

3. A member's fundamental obligation is to:

- a) fulfil its payment obligations imposed on the housing association and participate in the activities of the housing association's organs in accordance with its undertaking;
- b) notify the board of directors about planned construction in your apartment;
- c) allow and tolerate access to the dwelling at a convenient time for the representative or employee of the housing association for the purpose of checking the parts of buildings and equipment owned by the housing association, **troubleshooting required within the apartment due to the existence of an extraordinary damage event or emergency, and** carrying out maintenance work, without undue disturbance to the member or resident;
- d) take the necessary measures to ensure that the person living with him, to whom he has allowed the use of his apartment, complies with the provisions of point (c) and Section 14 (1) of the TV.**

3.1 The owner of the apartment is obliged to report to the board of directors:

- change of ownership of your apartment,
- address, personal data of anyone who can view in the land register, or public data of non-natural persons,
- in the case of usufructuary property, the name of the beneficial owner.

3.1.1 The owner has 15 days to make the aforementioned notification after taking possession of the apartment or entering ownership of the dwelling in the land register.

3.1.2 If a member of a cooperative disposes of his dwelling, he must notify the board of directors of his intention to settle accounts with the housing association before concluding the contract. With the alienation of the apartment, the membership relationship also ends.

3.1.3 The board of directors of the housing association shall provide a certificate of notification, which shall be attached to the contract of disposal.

3.1.4 The owner who disposes of his dwelling is obliged to fulfil his payment obligation towards the cooperative until the date specified in the alienation contract, and from then on, regardless of the date of moving in and out.

4. Termination of membership:

Membership shall cease if:

- the member dies or the member who is not a natural person ceases to exist without a legal successor;
- the member leaves the housing association;
- the member's **ownership of the dwelling** or other premises ceases to exist;
- the member shall be expelled;
- The housing association ceases to exist without a legal successor.

12

4.1. Withdrawal

Notification of intention to withdraw shall be made to the Management Board in writing. A period of 30 days must elapse between the notification of withdrawal and the termination of membership. Membership shall cease after that period.

4.2. Exclusion

4.2.1 A **housing association** may expel a member if, **despite written notice, the member fails to comply with his obligation to pay a contribution to maintenance costs (interest contribution and renovation contribution) established in accordance with the law and the statutes and to make the additional payment.**

4.2.2 **The member shall be invited to attend the meeting of the body with authority to be excluded, which is the Management Board.** A decision on exclusion shall be taken and communicated in writing to the Member concerned.

4.2.3 The decision to exclude may be challenged by recourse to the courts.

- 4.2.4 Membership shall cease thirty days after notification of the decision on expulsion, unless:
- a decision setting a later date;
 - An action for judicial review of the decision was brought within sixty days and the court amends or annuls the decision of exclusion;
 - At the request of the member, the general meeting shall amend the decision on exclusion.

5. Settlement with the former member (his heir):

5.1 If membership is terminated, the former member may not claim reimbursement from the cooperative of payments made to the cooperative, except in the event of overpayment.

5.2 If membership is terminated as a result of the death of a member, the termination of a member who is not a natural person without a legal successor, the withdrawal of the member or the termination of ownership of the member, the former member (his heir) shall be accounted for.

5.3 The former member (heir) shall be accounted for no later than thirty days after the date of the balance sheet – the determining general meeting following the termination of membership. The accounts shall cover deposits and payments made to each other.

IP.

RIGHTS AND OBLIGATIONS OF NON-MEMBER OWNERS

1. A non-member owner is one who has not joined the housing association, who has left the housing association or has been expelled.

2. The non-member owner shall have all the rights and obligations which the member owner is entitled to and shall have all the obligations which the member is entitled to, with the exception of the services provided by the housing association to the member, the business income of the housing association and the related costs.

3. At the general meeting, the non-member owner shall have the right to vote when the budget for the current year and the report agenda item for the year relating to the imposition and fulfilment of payment obligations related to his dwelling are discussed. In this case, non-member shareholders shall also be taken into account when convening the general meeting, establishing a quorum and counting votes, including in the case of written votes. The non-member owner shall have the right to vote on other items on the agenda of the general meeting only if authorised by the member owner.

VII.

MANAGEMENT OF HOUSING COOPERATIVES

1. The financial resources of the activities of the housing association are provided by the payments of members and non-member owners related to maintenance (operation, maintenance and renovation) and other income of the housing association (rent, etc.).

2. The financial obligations of members and non-member owners in connection with maintenance and renovation shall be established and recorded separately for each building and dwelling.

4. Maintenance costs – with the exception of water and sewerage fees – must be set in HUF/m² taking into account the total floor area of the apartments. The basis for paying the water and sewerage fee is the amount shown (consumed) by the side meter in the apartments.

5. Members and non-member owners shall pay the maintenance contribution in equal monthly instalments in advance – by the 15th day of each month – in the manner prescribed by the Board of Directors. In case of late payment, **the defaulting members and non-members shall pay default interest equal to twice the current MNB base rate on the amount of the arrears on the overdue instalments.**

6. The extent of the renovation fund (in HUF/m²) is determined by the General Assembly. The method of payment of the renovation contribution shall be governed by the above rules mutatis mutandis.

7. Unless otherwise decided by the General Meeting, the savings reflected in the operating account shall be used to make up for losses in previous years.

8. The commitment of the chairman and members of the board of directors above one million forints requires a decision of the board of directors. A commitment above ten million forints also requires a resolution of the General Assembly.

9. A housing association is liable with its assets for debts arising from its activities. If the assets of the housing association are insufficient to cover the debts, the general meeting may require members and non-member owners to make additional payments.

10. The non-member owner shall not be obliged to make additional payments to cover the debts of the housing association arising from its business activities.

11. Recovery of arrears of costs

11.1 If the member or the non-member owner fails to meet their maintenance (operation, maintenance and renewal) or other payment obligations (e.g. additional payment) within the deadline, the Board of Directors is obliged to notify the member or the non-member owner in writing in case of arrears of at least two months. The letter of formal notice shall provide for a period of 15 days for completion. The sending or receipt of a letter of formal notice must be documented. In the case of personal service, the receipt of the letter of formal notice is acknowledged by the signature of the owner, and in the case of postal service, the receipt of the registered or registered consignment with acknowledgement of receipt certifies the fact that the letter of formal notice has been sent. If the notice fails, the Directorate is obliged to initiate the order for payment procedure before the competent court within 30 days.

11.2 These statutes authorise the board of directors of the housing association to mortgage the home property of a member or non-member owner who is in arrears for at least three months by paying maintenance costs as security for payment of the arrears. The order for registration of a mortgage may be repeated in arrears equal to three months. The decision of the Management

Board shall be drawn up in a private document countersigned by a lawyer or, within the scope of his powers, by a legal adviser.

11.2.1 The decision of the Board of Directors shall be notified to the member and non-member owner in arrears with an indication of the legal remedy.

11.2.2 If the arrears on which the registration is based have been paid, the President shall issue the necessary permission to cancel the mortgage within 8 days of settlement; The licence must be drawn up in an authentic instrument or in a private document countersigned by a lawyer or, within his competence, by a legal adviser.

11.2.3 The costs associated with the registration and cancellation of the mortgage shall be borne by the arrears owner.

11.3 The initiation of proceedings for the issuance of an order for payment does not prevent the registration or repetition of the mortgage.

VIII.

WORK ORGANIZATION OF THE HOUSING COOPERATIVE, LABOR SITUATION OF EMPLOYEES

1. In order to carry out the activities of the cooperative , **the board of directors establishes a work organization, employs its manager and ensures its operation.**
2. The work organization of the cooperative, its system of operation, as well as the labor status of its employees are determined by the board **of directors in special regulations.**

15

IX.

LIABILITY, RESOLUTION OF MEMBERSHIP DISPUTES

1. Liability of the cooperative and the member for damages

1.1 The cooperative shall be liable to its member for unlawfully caused damage and the member shall be liable to the cooperative in accordance with the general rules on civil liability. An order to compensate for damage falls within the jurisdiction of the court.

1.2 Membership disputes, including disputes involving non-member owners, shall be decided by the court. The member affected by the infringing decision shall report the grievance to the supervisory board before bringing proceedings.

2. Liability rules of the cooperative and employees

The provisions of the Labor Code shall apply to the liability of the cooperative's employees for damages, as well as to liability for damage caused by the cooperative to its employees.

X.

OWNERSHIP AND USE IN HOUSING ASSOCIATIONS

1. Ownership:

1.1 The housing association owns:

- the parcel of land belonging to the dwelling house,
- building structures, common use premises, areas and central equipment of dwellings, service dwellings and other facilities serving the purpose of housing associations (offices, repair and maintenance workshops, etc.), structures and property.

1.1.1 Details of housing association ownership:

a) *Building structures in general*

- foundations and vertical and horizontal supporting structures of dwellings, with the exception of non-load-bearing walls in separately owned dwellings and non-residential premises,
- doors and windows, railings and parapets of dwellings, with the exception of those belonging to separately owned dwellings and non-residential premises,
- the roof of the dwelling house and the roof superstructures thereon,
- gutters and drain pipes in an apartment building.

b) *Common use rooms and areas in general*

- community premises of housing associations,
- the doorway,
- the staircase,
- corridors and hanging corridors,
- premises of central installations,
- pushchair and bicycle storage room,
- together with the equipment and installations of the garbage storage room.

c) *Central equipment in general*

- the lift,
- ventilation equipment,
- the garbage dump,
- the plumbing network from the main meter to the installed and sealed auxiliary water meter, including all equipment and installations in the premises jointly owned by the cooperative,
- the sewerage network from the boundary of the plot to the vertical sewage drain pipe and, in the premises owned by the cooperative, the entire horizontal network,
- the electrical wiring system from the point of connection agreed between the electricity supplier and the consumer to the consumer meter in separately owned dwellings and non-residential premises, the consumer wiring in premises owned by the cooperative and all equipment and installations,
- the gas pipeline network from the first shut-off device on the property to the main tap in front of the consumer appliance. In the premises owned by the cooperative, the consumer wiring, as well as all equipment and equipment,
- district heating supply equipment means the first shut-off or control device of consumer pipes downstream of the consumer heating centre from the side facing the consumer, the basic and rising pipes, the section of pipe in separately owned dwellings and non-residential premises without the radiator. The section of pipeline in the premises and land owned by the housing association, with all equipment and fittings,

- the **star-point TV antenna network** with **amplifiers** and the associated wiring network until the first connection to the apartment,
 - the intercom and ringing device with the associated wiring network.
- d) *Other establishments, structures and property serving the purpose of a housing association are generally divided into:*
- non-residential premises of the housing association, together with the plant and installations necessary for their intended use,
 - other structures on the parcel of land belonging to dwellings (private road, pavement, garden structures and equipment, etc.)
 - **electronic surveillance system built with a closed system technical solution**

1.2 Individuals **or legal entities** own :

The apartments in the housing association house, except those owned by the cooperative, are owned by member and non-member owners. **Other premises in a housing association house can be owned by both individuals and legal entities.**

2. Terms of use:

2.1 Each member shall be entitled to use the parcel of land and parts of buildings belonging to a residential building owned by the housing association, within the framework of a decision of the general meeting, but none of the members may exercise this right to the detriment of the rights or legitimate interests of the others.

2.2 The General Meeting is competent to use and change the way in which all parts of buildings owned by the housing association (common areas, premises, stand-alone non-residential premises, wall surfaces, etc.) are used.

17

XI.

HOUSE RULES IN HOUSING ASSOCIATION

The purpose of the House Rules is to determine the behaviour of persons staying in residential buildings towards each other and the basic rules that are essential for social coexistence, furthermore, it prescribes requirements not laid down in other legislation for the use and protection of common areas and premises of residential buildings.

The material scope of the House Rules covers all apartments and non-residential premises in buildings, regardless of their form of ownership. The personal scope of the House Rules extends to all persons who use the residential building or real estate; stay there permanently or temporarily (owner, tenant, family member, visitor, etc.)

In residential buildings, with the **exception of cooperative-owned** dwellings and privately or municipal-owned non-residential premises, the apartments are privately owned, while all other areas are owned by the Housing Cooperative.

1. ORDER OF RESIDENTIAL BUILDINGS

1.1. Residential buildings and associated common spaces and areas shall refrain from any noisy behaviour or activity disturbing the peace of others, regardless of the time of day.

1.2. Television, radio, turntable, video and other equipment may be operated in such a way as not to disturb the peace of others.

1.3. In residential buildings

- use of household and other machinery causing noise, construction and installation work involving noise on working days: between 8 am and 7 pm,

Saturday: allowed from 9 am to 2 pm,

Sundays and public holidays: not permitted, except: use of household appliances.

The use of household appliances is allowed on Sundays and holidays from 9 am to 2 pm.

The chairman of the board of directors may deviate from the specified period based on the declaration of the majority of the owners, and in some cases he may allow construction and installation work involving noise to be carried out for a shorter period of time with written notification to the owners. The permit shall be published on the bulletin board for the period indicated.

The provision does not affect work aimed at troubleshooting or averting danger to life requiring immediate intervention.

1.4. The practice and teaching of singing and music to professional artists - unless otherwise specified by the chairman of the board of directors on the basis of the declaration of the majority of residents -

on working days from 8 am to 7 pm; It can be continued on Saturdays, Sundays and public holidays from 9 am to 2 pm. Non-professional artists may practice for a maximum of 2 hours a day during the period specified below: between 9 a.m. and 12 p.m. and between 5 p.m. and 7 p.m., not on Sundays and public holidays.

1.5. The administrative body of the district government performing administrative tasks may prohibit the operation of professional artists, ensembles and teachers after hearing the opinion of the chairman of the board of directors, even in extremely justified cases during the period specified in point 1.4.

1.6. The owner and manager of the apartment is obliged to keep the gates and common areas of the residential building permanently closed and to make sure of this.

1.7. The occasional larger family and domestic events are not restricted, but the noise associated with the events must not be so great as to disturb the peace and relaxation of the residents.

1.8. All residents are obliged to refrain - especially between 8 p.m. and 7 a.m. - from activities that disturb the peace of others, either inside or outside the apartment: e.g. noisy singing, shouting, scandalous drunkenness, high-volume radio, television or music listening equipment, loud domestic events.

2. CLEANLINESS OF RESIDENTIAL BUILDINGS

2.1. In order to keep residential buildings clean, the Cooperative is obliged to continuously clean the premises and areas used for common use, to remove dirt, mud, snow and ice; Wash the coverings at least once a week and remove outdated announcements.

2.2. The Cooperative is obliged to carry out a major cleaning of the entire residential building at least twice a year, including the doors, windows and metal objects of the common premises and areas.

2.3. Only household garbage may be poured into the bins. The owner (user) is obliged to take care of the removal of non-household garbage (used equipment, furniture, other larger objects).

2.4. Outside the apartment, laundry, bed linen can be ventilated on working days from 8 am to 7 pm, on Saturdays and Sundays from 9 am to 2 pm, home textiles can be dusted, cleaned; carry out cleaning with dust formation, shake out a dust-wiping cloth in the window of a residential building.

The contents of the dust bag must be removed in the same way as household waste. Contamination caused by cleaning must be removed by the user immediately upon completion of cleaning.

2.5. It is forbidden to throw out cigarette butts, coals or any burning material, objects or pour out any liquid from the residential building. Plants in windows or corridors should only be cared for without harming the interests of others. Cleaning the aisle and watering the flowers should be done only so that water does not run down and garbage does not fall off.

2.6. Whoever contaminates a common room or area during the transportation or disposal of any material or during home renovation shall immediately eliminate the contamination at his own expense. If the identity of the supplier and the user differs, the person on whose behalf the transport took place shall ensure that the contamination is eliminated.

2.7. To eliminate insect infestation, owners. and users are obliged to carry out disinfection work in the dwelling and premises used by them, to tolerate them by decision of the general meeting or by the obligation of the competent public health and epidemiological authority.

3. PROTECTION OF RESIDENTIAL BUILDINGS AND DWELLINGS

3.1. The protection of residential buildings and the dwellings contained therein obliges the owner and user to:

- dwellings and non-residential premises,
- common areas and areas and common areas,
- use the central equipment and accessories of the residential building (e.g. heating and hot water supply, ventilation systems, intercom, etc.) economically for their intended purpose, without harming the environment.

3.2. Grilles may only be placed on windows with official permission.

3.3. The doors, windows and exterior walls of apartments may only be glazed and painted in the original color.

3.4. Any thing can be installed on the façade of the building only with the prior permission of the board of directors of the cooperative.

3.5. The owner of the apartment may place the security doors and windows primarily on the door of the apartment, taking into account the current regulations of the building authority, fire protection, etc.

3.6. Work subject to a building permit may only be requested or carried out at the authority with the prior consent of the Directorate.

3.7 Prior management permission must be requested for the replacement of the external doors and windows of the building and the installation of the balcony (if this is not subject to a building permit), as well as for other alteration works not subject to an internal building permit. The application shall contain the documents necessary for its assessment.

4. LIVESTOCK FARMING

- 4.1. Birds shall not be kept or fed in such a way as to contaminate the windowsills of other people's dwellings or the common areas of the building.
- 4.2. Keep animals in the common rooms and areas of the residential building, let the animals kept in the apartment out there, feed them; Stray animals and birds must not be accustomed to the building.
- 4.3. Any contamination caused by an animal kept with a permit specified in another legislation shall be cleaned up immediately by the keeper of the animal.
- 4.4. The extent of dog and animal husbandry and the method of rearing are regulated by separate regulations. A dog in the stairwell should only be led on a leash. A muzzle should be put on a dog of biting or offensive nature.
- 4.5. Wild animals, snakes, dangerous insects, etc. may only be kept with the permission of the competent authority obtained on the basis of the prior written consent of the cooperative's directorate.
- 4.6. If the above rules are not complied with by one of the owners or users of the livestock dwelling and at the same time the maintenance may be harmful to health, the chairman of the board of directors of the cooperative is obliged to initiate the necessary procedure and enforce the rules.
5. The owner of the apartment and the user of the apartment are jointly and severally, financially and morally responsible for compliance with the house rules.

XII.

REPRESENTATION OF THE HOUSING ASSOCIATION

20

1. A housing association shall be represented by the chairman of the board of directors or by an **elected member of the board vested with the power of representation** by the general meeting ; this power may not be validly restricted vis-à-vis third parties. Other members or employees **may represent the housing association subject to written authorisation from** officials with powers of representation.
2. **The right to sign the company shall be vested in the official representing the housing association as defined in the previous paragraph. The right of the officer to sign the company is autonomous: another member or employee has the right to sign up jointly.**

XIII.

MEMBERSHIP OF INTEREST REPRESENTATIVES

1. The housing cooperative may be a member of an interest representative body based on a resolution of the general meeting, in order to represent the interests of the housing cooperative and to enforce the benefits of cooperation.
2. The Housing Cooperative is represented in the representative body by the Chairman of the Board of Directors.

Final provisions

These statutes were discussed in general and detail at the general meeting of the members of the cooperative held on 26 May 2011 and were laid down in the same way as proposed. At the same time, it repealed all its previous statutes and amendments thereto.

In matters not regulated in these statutes, otherwise the provisions of Act CXV of 2004 on housing cooperatives shall apply.

Budapest. 26 May 2011.

In respect of **these** bolded insertions in these **consolidated Articles of Association**, which constitute **the amendments**, the lawyer countersigns. The amendments were discussed at the general meeting of the members of the housing association held on 2 April 2012 and agreed with the proposal.

Budapest. 3 April 2012.

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Kovács Péter
Member of the Board of Directors, Chairman

I countersign:

Budapest. 27 April 2012.

dr. Pálosi – Melinda Magyarai
lawyer