

REGULATIONS ON USE AND ADMINISTRATION

for the condominium owners' association
(condominium community) of Property No. 520 in
Saas-Fee

Hotel Apartment Resort Dom 4545

I. SECTION: INTRODUCTORY ARTICLES

Art. 1: General

These provisions of the regulations are issued in implementation of the deed establishing condominium ownership on Property No. 520.

Unless the deed establishing condominium ownership and these regulations provide otherwise, the provisions of the 18th and 19th Titles of the Swiss Civil Code (SCC) concerning co-ownership and condominium ownership shall apply.

Each condominium owner may use the premises allocated to them as exclusive-use rights within the framework of the declaration establishing condominium ownership as well as the management agreement.

Art. 2: Special rules of use

- a) DORINT HOTELS & RESORTS SCHWEIZ GMBH (OR A TO-BE-ESTABLISHED SUBSIDIARY) or any legal successor operates the Hotel Apartment Resort Dom 4545 on a permanent basis as a hotel-like operation in condominium ownership in accordance with the cantonal "Hotel Complex – Operating Facility" guideline, minimum requirements to obtain a ruling within the meaning of Art. 2 para. 2 lit. a of the Federal Act on the Acquisition of Real Estate by Persons Abroad (BewG) dated 27 January 2016, and/or as a structured accommodation business within the meaning of the Second Homes Act (SHA; ZWG) of 20 March 2015 (SR 702) and the Second Homes Ordinance (SHO; ZWV) of 4 December 2015 (SR 702.1). The existing Hotel Dom will be expanded by additions and new buildings in two phases. After completion of the additions and new buildings, Hotel Resort Dom 4545 will comprise 44 hotel rooms,

twelve 1-room hotel apartments and twenty-eight 2-room hotel apartments.

Pursuant to the final building permit dated 26.04.2022 issued by the Municipality of Saas-Fee, a commercial-use restriction has been recorded as an encumbrance on Parcels Nos. 520 and 1797 under registration no. 1219/2022, limited to a period of 25 years from the land registry entry, to the effect that only a hotel operation may be realized on the said parcels. For this reason, all hotel apartments are subject to a hotel-style management obligation for 25 years. After expiry of the 25 years, those hotel apartments that were approved as dwellings without use restrictions within the meaning of Art. 7 para. 1 SHA on the basis of Art. 8 para. 1 SHA may be used as second homes without a hotel-style management obligation. For these condominium units, hotel-style management is not mandatory after 25 years but optional. After expiry of the 25 years, the annotation "hotel-style management" may be deleted from the land register against the relevant condominium unit upon application by the owner.

- b) Reception / Bar / Lounge are located on the ground floor of the existing Hotel Dom. Installations and technical plant are located in the existing building and the first basement level of the Hotel Dom extension. Wellness and storage are located in the first basement level of the extension; restaurant and professional hotel kitchen are located on the ground floor of the extension. Laundry services are outsourced to a professional company; therefore, no laundry room is planned.
- c) Based on the Federal Act on the Acquisition of Real Estate by Persons Abroad (ANRA / BewG) as well as the relevant second-home legislation, the residential units are used and managed permanently and exclusively for tourism purposes within the framework of a hotel-style operating concept. This design enables legally secure use in line with statutory requirements and simultaneously contributes to professional management and preservation of the value of the property. For this purpose, the building permit to be issued will record, as a charge on Parcel No. 520 or on the condominium units to be created thereon Nos. 520/XX up to and including No. 520/XX, a public-law restriction on ownership in the form of "qualified tourist-managed dwellings".
- d) Analogous requirements arise from the directly applicable provisions of the Second Homes Act (SHA; ZWG) and the Second Homes Ordinance (SHO; ZWV). Pursuant to Art. 2 para. 2 lit. a BewG, and in the interest of legal certainty and transparency, the annotation "operating facility pursuant to Art. 2 para. 2 lit. a ANRA / BewG" will be recorded in the land register as a charge on Parcel No. 520 or on condominium units Nos. 520/XX up to and including No. 520/XX.
- e) These rules ensure uniform and legally compliant use of the property and at the same time serve the sustainable safeguarding of the tourist operating concept. The requirements apply to all condominium units created on Parcel No. 520, subject to those hotel apartments that may be converted into dwellings without use restrictions after 25 years.
- f) The condominium owner undertakes—within the meaning of the declaration of

establishment and the public-law use requirements—to make their unit permanently available to the operating company of the condominium ownership share agreement article 2 of the declaration of establishment for hotel-style management. This ensures professional operation and the economic preservation of value of the entire complex.

- g) The condominium owner's time-limited right of personal use remains reserved within the framework of the statutory provisions:
- under the SHA (ZWG), up to three weeks per peak season,
 - under the ANRA (BewG), up to three months per year (for remuneration; a family & friends discount may be granted at the operator's discretion).
- h) Free-of-charge personal use is not permitted for owners subject to the ANRA (BewG). Owners who are not subject to the ANRA (BewG) retain the right to free-of-charge personal use of up to three weeks per peak season.
- i) Independent management deviating from the hotel concept is prohibited insofar as it conflicts with public-law use requirements or the use and administration rules agreed in the deed of establishment, or materially impairs the uniform hotel operation. Use of the individual units shall always take place with inclusion of the hotel services of the entire operating facility in order to ensure uniform standards and quality. Individual management. Deviation from the hotel concept is not permitted. Exempt from the hotel management obligation are those condominium shares which, after expiry of 25 years, may be used as dwellings without restrictions of use within the meaning of Art. 7 para. 1 SHA pursuant to Art. 8 para. 1 SHA in accordance with the SGH expert opinion dated and the amendment permit to the building permit dated 26 April 2022. For these condominium units, hotel management is not mandatory after 25 years but optional. After expiry of 25 years, the annotation "hotel management" may be deleted from the land register as a charge on the relevant condominium unit upon application by the owner.
- j) In order for the condominium unit and the entire property to retain their value and quality in the long term, the following shall apply:
- Within the scope of the management obligation, the condominium owner and/or the persons using the unit shall ensure that the unit remains structurally intact. This means:
- c) Structural alterations inside the unit may only be made if they do not impair the load-bearing structure, shared lines or installations, comply with the defined fit-out standard of the accommodation business, and have been approved in writing in advance by the operator and/or the administration; approval may not be refused without objective reason. The operator of the hotel accommodation business is responsible for ensuring that the rules established for Property No. 520 Saas-Fee are also complied with by those persons who are permitted to use the condominium units as a touristically operated property / hotel based on the management agreement.
- d) For the use of the common rooms, installations and facilities as well as for the use of hotel services by the condominium owners, the provisions of the management

agreement shall apply in addition. These govern the proper, appropriate and, for all condominium owners, advantageous use of the shared infrastructure and services.

Art. 3: Common parts

Common parts include in particular the following building components and facilities:

- a) the land of Parcel No. 520;
- b) the building components that are significant for the existence, structural subdivision and stability of the building or of the rooms of other condominium units;
- c) parts that determine the external form and appearance of the building, such as façades, balcony parapets, planter boxes, etc.;
- d) the shared outdoor facilities and access ways;
- e) Surroundings (site area)
- f) Staircase / corridor
- g) Elevator
- h) Technical installations
- i) Elevator
- j) Elevator
- k) Elevator
- l) Wind collector
- m) Balcony
- n) all other installations and facilities serving more than one condominium unit, regardless of whether these installations and facilities are located inside or outside the rooms subject to exclusive-use rights (for example, lines for heating, hot water, electricity, telephone, radio and television, ventilation chimney, etc.);

- o) equipment and devices for cleaning and maintaining the common parts;

II. SECTION: RULES OF USE

A. Rules for the objects subject to exclusive-use rights

Art. 4: Principle of consideration

Each condominium owner uses the rooms, facilities and installations allocated to them as exclusive-use rights in a manner that promotes respectful and pleasant coexistence within the property. Through considerate behavior, they contribute to ensuring that other owners and residents can use their own premises without disturbance and to the intended extent. Each condominium unit is used within the scope of its intended purpose as set out in the deed of establishment. This purpose-compliant use ensures that the character and quality of the entire property are preserved and that the harmonious appearance of the accommodation business is maintained.

Art. 5: Responsibility for users

Each owner must ensure that the rules set out in Art. 4 are also observed by those persons to whom they permit the use of their property as guests or relatives; the owner shall be liable for any damage caused by such persons.

Art. 6: Maintenance obligation for one's own rooms

Through the FF&E reserve fund, the operator ensures that all rooms, facilities and installations that are subject to the exclusive-use rights of the respective owners are maintained as required to keep the building and the overall development in proper condition and to enable hotel management.

Art. 7: Right of inspection

To ensure optimal operation and preservation of value of the property, the hotel operator, the administration, and specialists appointed by the administration are entitled to enter rooms subject to exclusive-use rights when necessary in order to carry out required inspections or maintenance works. These measures serve the proper functioning of the shared installations of the accommodation business and thus also the welfare and safety of the owners.

Art.8: Hotel management

The condominium shares Nos. 520/XX up to and including No. 520/XX are subject to hotel-style management by the hotel operator. Upon purchase of a condominium unit, each condominium owner is simultaneously obliged to enter into a management agreement with the hotel operator (or any legal successor) in which hotel management is regulated in detail.

The condominium shares Nos. 520/XX are exempt from the hotel management obligation after 25 years from 21 February 2022, i.e. as of 21 February 2057, and may have the annotation of hotel management deleted from the land register as a charge on their condominium unit.

Each purchaser of a condominium share will be provided with the guideline “Hotel Complex – Operating Facility” of 27 January 2016, which forms the basis for this project. Each purchaser of a condominium share is obliged to make their unit available to the hotel operator without time limitation. This obligation is registered as a charge on the plot in the land register.

The condominium owner makes their unit available to the operating company for hotel management within the scope of the public-law use requirements. The right of personal use remains reserved within the statutory framework and within the scope of the public-law restrictions; the extent of personal use is specified in the management agreement. Owners remain free to use their unit or another unit within the hotel complex like any other hotel guest. Such use is for fee at market conditions and may—pursuant to statutory provisions—be exercised for a maximum of three months per year.

Each unit is permanently offered for short-term use by guests. This ensures uniform, market-driven and high-quality utilisation of the business. The units are furnished and managed in accordance with the standardised hotel concept, which guarantees a consistent guest experience, long-term value retention and high-level positioning of the business.

B. Rules for rooms, facilities and installations held in common ownership

Art. 9: Principle of consideration

In the use of the common rooms, facilities and installations as well as the parts of the land located outside the buildings, all owners and persons admitted by them for use shall act with due consideration for the hotel guests and the other residents of the overall development. Art. 4 of these regulations applies accordingly.

Art. 10: Design

The design of the common rooms, facilities and installations as well as the parts of the land located outside the buildings falls within the exclusive responsibility of the hotel operator.

III. SECTION: CONSTRUCTION AND REPAIR REGULATIONS

Art. 11: Rules for Rooms Subject to Exclusive Rights

Owners may not carry out repairs or structural alterations to rooms subject to exclusive rights that impair hotel management or the common building components, installations and facilities; operationally compatible internal adaptations remain permitted in accordance with the standardized fit-out standard and subject to prior approval by the operator/administration.

Art. 12: Rules for Common Parts

In consultation with the administration of the condominium owners' association, the operator is entitled to carry out repairs and structural measures on the common parts. Reserve fund A is available for financing.

The condominium owners of units 520/XX up to and including 520/XX who may use the spa and fitness facilities may do so against payment. The operator regulates the modalities and compensation.

IV. SECTION: COST RULES

Art. 13: General

The allocation of costs to be borne jointly by the condominium owners for the common property and building parts, as well as the safeguarding of value and substance of the condominium units subject to tourist management, is governed by these Rules, the management agreement and, subsidiarily, by Art. 712h SCC.

Art. 14: Common Costs

Common costs include in particular all costs arising from use, maintenance and renewal as well as the operation of the common property and building parts, the common installations and facilities, and the administration.

Among other things, the following are included in common costs:

- a. operation, maintenance and renewal of common building parts and installations such as passenger lifts, balcony balustrades, facades, roof and roof edging, window frames, exterior paintwork of doors and windows, etc.;
- b. cleaning of common rooms;

- c. snow removal;
- d. caretaker ;
- e. administration, including the administrator's fee;
- f. heating and lighting of common rooms;
- g. public-law fees and contributions insofar as they are imposed on the association as a whole (e.g. sewage fees, water charges, refuse fees, etc.);
- h. premiums for insurance of the building and common components against fire and water damage and for liability as property owner;
- i. maintenance of outdoor areas and forecourts insofar as no exclusive rights of use exist;

Separate meters will be installed for cold and hot water, heating and energy costs; these therefore do not form part of the common costs.

These expenses are financed through funds A and B. If the fund contributions are insufficient, the owners must make advance payments according to their value shares to cover the costs. The budget for advance payments is adopted by simple majority according to value shares.

Art. 15: Statutory Lien

Pursuant to Art. 712i SCC, a statutory lien exists for the contributions of the condominium owners in favour of the association on the defaulting debtor's condominium share. The administrator is authorised and obliged to assert the lien in the name of the entitled association within an appropriate period and to apply for its registration in the land register.

Art. 16: Joint and Several Liability

If several persons hold an interest in a condominium unit, they are jointly and severally liable for the respective share of costs.

Art. 17: Deductions from Gross Rental Income

The following costs are deducted in advance from gross rental income from overnight stays:

- Total Cost of Sales
- Total Payroll & related Expenses
- Total other Expenses
- Deduction for Fund A (General / Condominium renewal fund for common parts) amounting to 1.5% of gross rental income
- Deduction for Fund B amounting to between 1% (1st year of operation) and 5% (from the 5th year of operation) of gross rental income
- Deduction for building, property and liability insurance amounting to 0.35% of gross rental income

All costs for operation, maintenance and renewal (in particular ongoing operating costs and contributions to Funds A and B) are charged directly via the operator.

The owners participate with a share of 10.4% in the net income from overnight stays and F&B

in the operating result. By majority decision according to shares (not per capita), the owners may determine whether the 10.4% share of net income (net room revenue + net F&B revenue) is paid into a provision / renewal fund for maintenance and repairs or is distributed to the individual owners according to their value shares.

The operator prepares for the owners, once a year within 30 days after the end of the winter season (30 April) and after the end of the summer season (30 September), a detailed statement of accommodation revenues.

The administrator/operator owes the association accountability regarding the annual budget and the use of the funds. Owners have an explicit right of inspection and audit of the fund accounts.

Art. 18: Establishment of Two Funds

To ensure ongoing maintenance, repairs and renewal of the common building parts and installations on the one hand, and of the equipment and infrastructure of the condominium units subject to hotel management (hotel units) on the other hand, two separate funds (Arts. 19 and 20 below) are established.

Art. 19: Fund A (General / Condominium Renewal Fund for Common Parts)

Renewal fund for common building parts/installations. This fund is for a specific purpose and serves to cover (in whole or in part) the costs for major maintenance, repair or renewal works relating to the common building parts and installations.

An amount of 1.5% is deducted from gross rental income and paid into the condominium renewal fund for common parts.

If the financial situation requires, the operator may request advance payments from the owners of condominium units according to their value shares.

Individual condominium owners have no personal claim to the fund.

Art. 20: Fund B (Maintenance of Hotel-Managed Apartments and Resort Operating Unit / FF&E Reserve)

Purpose and funding

During the term of this agreement, the financing of repairs and renewals of the touristically used and hotel-managed condominium units, including fixtures permanently connected to the unit (kitchenette, bathroom, etc.) as well as furniture and inventory made available by the owners, is made from the "Hotel Apartments Renewal Fund". The purpose of this fund is to maintain the hotel apartments in a condition suitable for tourist management/hotel management.

To ensure maintenance and renewal of hotel infrastructure, an amount of 1% of gross rental income is deducted in the 1st year of operation, 1.5% in the 2nd year, 2% in the 3rd year, 2.5% in the 4th year, and 3% from the 5th year onwards. The amount of 1% to 3% paid into the fund for interior fit-out, equipment and furniture of the units and/or building parts subject to exclusive rights corresponds to the "FF&E reserve" in accordance with the cantonal guideline "Hotel

complex – business establishment; minimum requirements for a non-subjection decision under Art. 2 para. 2 lit. a BewG” of 27 January 2016.

If the financial situation requires, the operator may request advance payments from the owners of condominium units according to their value shares.

Decision-making authority regarding expenses charged to the Hotel Apartments Renewal Fund lies with the operator, who coordinates with the administration in this regard. The administration has no veto right and may not block operationally necessary renewal and maintenance works. Individual condominium owners have no personal claim to the fund.

Budget

To finance the (ancillary/operating) costs attributable to the touristically used condominium units or arising from their use, such as water, electricity, heating and ventilation costs, etc. (but not the cantonal property tax and other taxes owed by the owners), as well as building and property insurance contributions (for the apartment and furniture), the association approves an annual budget upon proposal by the administration, which is made available to the administration. All units have separate meters for water, electricity, heating and ventilation costs and are therefore billed individually.

These ongoing costs are primarily also deducted in advance from gross rental income. If the financial situation requires, the operator may request advance payments from the owners according to their value shares.

Art. 21: Insurances

The insurance of the building against fire and water damage as well as owners' liability insurance are concluded jointly. The condominium owners shall choose the same insurance institution as the operator for its operational liability insurance.

To ensure financing of the building insurance premiums, an amount of 0.35% of gross rental income is deducted for building insurance premiums.

The relevant insurances concluded by the developer must be taken over.

V. SECTION: ADMINISTRATION RULES

Art. 22: Organization

The condominium owners' association has the following bodies:

1. Owners' meeting
2. Administrator

Art. 23: Administration

For the first three years after establishment of the condominium owners' association, Hotel Dom Saas Fee AG is elected as administrator.

A. Meeting of the condominium owners' association

Art. 24: Competence

The meeting of the condominium owners' association decides conclusively on all administrative matters which, by law, deed of establishment or these Rules, belong to common affairs and are not assigned to the administrator.

Art. 25: Duties and Powers

In particular, the meeting of the condominium owners' association has the following duties and powers:

1. approval of the cost estimate with the provisional allocation list, as well as the annual accounts with the definitive allocation list;
2. determination of the amount of contributions to the renewal fund;
3. discharge of the administrator;
4. authorization of the administrator to conduct legal proceedings;
5. issuance of the specific house rules;
6. decision on appeals against decisions of the administrator.

Art. 26: Convening and Chairing

The meeting of the condominium owners' association is convened in writing by the administrator and chaired by the administrator unless otherwise decided.

The agenda, budget and annual accounts with the relevant allocation lists as well as any motions must be delivered to the owners at least 10 days before the meeting together with the written invitation. Any motions and requests for the agenda must be communicated to the administrator in writing by the end of the financial year.

The ordinary annual meeting takes place in principle within 3 months after the closing of accounts. An extraordinary meeting shall take place whenever the administrator deems it necessary or when one fifth of the owners so request.

Resolutions of the meeting must be recorded in minutes; the minutes are to be kept by the administrator.

Art. 27: Quorum

The meeting has a quorum if owners representing 51% of all owners who are simultaneously entitled to 51% of the shares are present or represented.

If participation is insufficient, a second meeting must be convened, which may not take place earlier than 14 days after the first.

The second meeting has a quorum if one third of all owners are present or represented.

An owner may be represented by another owner, the administrator, or a third person who is not

a member of the association.

Art. 28: Voting Rights

Each condominium owner has voting rights in proportion to his/her value share.

If several persons jointly own a condominium share, they have only one vote per share, which they cast through a representative.

If a condominium owner holds several exclusive rights, he/she may assert his/her rights for each unit separately; for determining voting power, he/she has one vote per condominium unit.

If a usufruct or a right of residence has been established on a condominium share, the usufructuary or the holder of the right of residence exercises the voting right unless otherwise agreed.

Art. 29: Passing of Resolutions

Resolutions are adopted by the majority of value shares, except in cases specifically mentioned in the law, the deed of establishment or these Rules.

Circular resolutions are permitted provided that no condominium owner requests oral discussion. Circular resolutions without a meeting are likewise adopted by majority of value shares.

For resolutions affecting the foundations of the hotel management concept or the fulfilment of public-law requirements, it must be ensured that such requirements continue to be complied with. Resolutions that would lead to a violation of mandatory public-law provisions are null and void. Conceptual changes to the hotel operation that lead to a fundamental change in the intended purpose of the units require a unanimous resolution of all condominium owners and, where applicable, an amendment of the deed of establishment.

Art. 30: Subsidiary Provisions

Insofar as the law or these Rules do not contain special provisions, the provisions on the bodies of associations (Arts. 64–69 SCC) and on contesting association resolutions (Art. 75 SCC) apply to the meeting of the condominium owners' association.

B. Administrator

Art. 31: Appointment and Dismissal

Hotel Dom Saas-Fee AG is appointed as administrator for a period of 3 years after establishment of the condominium owners' association, with the right of substitution. As administrator, Hotel Dom Saas-Fee AG also has the right to call in substitutes.

The election of the administrator takes place by resolution of the owners' meeting; the owners remain legally unbound in their freedom of choice. A preference in favour of the previous administrator does not establish a right to re-election.

The administrator need not be a condominium owner. A legal entity is also eligible.

If an important reason exists, the meeting of the community may demand the dismissal of the administrator by majority resolution.

Art. 32: Duties and Powers in General

The administrator carries out all acts of administration of the building in accordance with the law and these Rules and in compliance with the resolutions of the owners' meeting.

The administrator ensures that, in the exercise of exclusive rights and in the use of common parts, the provisions of the law, the deed of establishment, the management agreement and these Rules are observed.

In all matters of common administration, the administrator represents the condominium owners' association externally within the scope of its duties. The administrator requires the consent of the owners' meeting to represent the owners in civil proceedings.

Art. 33: Specific Powers and Duties of the Administrator

In particular, the administrator is responsible for:

1. managing the ordinary administration of the hotel-complex business establishment;
2. submitting an annual report on management and accounts to the owners' meeting;
3. preparing the budget with provisional allocation list and the annual accounts with definitive allocation list;
4. issuing invoices for contributions and collecting them;
5. managing the available funds and using them for their intended purpose;
6. keeping books, minutes and registers and maintaining all records and plans;
7. providing owners with information on specific common matters and granting inspection of the relevant books and records;
8. concluding insurance contracts in accordance with the instructions of the owners' meeting;
9. implementing all resolutions of the owners' meeting;
10. appointing and supervising the caretaker.

The rights and duties of the administrator and of the caretaker may be governed in specific job descriptions and contracts.

VI. SECTION: FINAL PROVISIONS

Art. 34: Legal Successors

The applicable use regime (deed of establishment, these Rules) as well as the resolutions adopted by the meeting are binding on legal successors and purchasers of condominium units. Each condominium owner is obliged to inform his/her legal successors accordingly.

Art. 35: Annotation of the Rules

These rules of use and administration are binding on all owners of condominium units on this property and their legal successors, and are to be registered as a charge in the land register of Brig on the parcel. The administrator of the association is required to ensure the annotation of

any amendments to these rules of use and administration.

Art. 36: Amendment of the Rules

These Rules may be revised by resolution of the owners' meeting; Art. 30 of these Rules applies to the adoption of resolutions.

Art. 37: Jurisdiction and Domicile Clause

For all disputes arising out of the community relationship, the condominium owners submit to the place of jurisdiction at the location of the property; in the event of domicile abroad, expressly also for any debt enforcement proceedings. They choose the enforcement domicile at their Swiss domicile or at the business premises of the administrator.

Application to the Land Registry Office

The Land Registry Office is requested to:

- annotate these Rules against base parcel No. 520.

Saas-Fee,

Ms Katja V. Schwery Fux, Notary: