

HORIZONTAL PROPERTY STATUTES FOR THE COMMUNITY OF OWNERS OF “ALCAZABA LAGOON SECTOR I”

- These Statutes replace the Statutes previously registered under “Alcazaba Hills Fase I” in the PROPERTY REGISTRY IN MANILVA, now known as “Alcazaba Lagoon Sector I”.

HORIZONTAL PROPERTY STATUTES FOR THE COMMUNITY OF OWNERS OF “ALCAZABA LAGOON SECTOR I”

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CHAPTER I: HORIZONTAL PROPERTY REGIME

Article 1. - LEGAL REGIME

It is understood that the Horizontal Property Regime is compulsory as established by Law between the owners of a building or building complex, and that it affects the common elements in said building or complex, that affect the owners of each property or independent constructed entity, according to the share that is established in the title deeds that will determine their share within the complex.

Article 2. - DENOMINATION:

The regime of property divided in apartments regulated here will be identified with the name of “COMMUNITY OF OWNERS ALCAZABA LAGOON SECTOR I”.

Article 3. -LOCATION:

The Community of owners here regulated is located in the Urbanization named “ALCAZABA LAGOON SECTOR I”, located in CORTIJO DEL BENEFICIADO, in the municipality of Casares.

Said location will be the address of the community for notifications and requirements.

Article 4. - DURATION:

The Community will be formed for an indefinite duration, or at least while there are properties in the building or complex that belong to different owners and while the building or complex is in existence.

Article 5. - OBJECT:

The purpose of the community of Owners, in accordance to Article 24 of the Horizontal Property Act, is the conservation of Urbanization Alcazaba Lagoon Sector I, especially regarding its common elements and the expenditure derived from the use, replacement of elements, via the distribution of these expenses amongst all owners in proportion of the share that each property has according to the Constitution of the community.

Article 6. - RESIGNATION OF RIGHTS:

Due to the nature of the Community and its obligatoriness, owners will not be able to enjoy first refusal and pre-emptive rights or the division of common elements.

Article 7. - LEGAL REGIME:

The Community of Owners here regulated will act in extension to the following regulations:

Article 396 of the Civil Code

The Law of 21st of July 1.960 reformed by the Law 8/1.999 (BOE 8th of April 1.999) and Law 8/2013, from the 26th of June, of Urban Refurbishment, Regeneration and Renewal, and the legal dispositions or jurisprudence that complete these.

CHAPTER II: COMMON ELEMENTS:

Article 8. -COMMON ELEMENTS:

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Common elements that belong to all participants:

The ground, underground and building projections.

The access ramps to parking areas and the roads within these as well as paths between these and the storage areas and living quarters.

The portals, lifts, and stairwells and halls, including installation rooms, water deposits, pump rooms and general installations and service areas.

The building's foundation, structures, façades and aesthetical ornaments, walls between properties and roofs of buildings.

The general installations and conducts for water, electricity, telephone lines, lightning conductors, television antennas, satellite and modulated frequency antennas, lifts, portals, stairs, meter rooms, rubbish rooms, water heating rooms, machinery rooms for the lifts, ventilations chimneys and service conducts when these exist in the building.

The furniture existent in the common areas, and in general, all those elements and services that are not considered private, as they are destined for the use and enjoyment of all owners and are so defined in Article 396 of the Civil Code and are also considered common elements according to the Horizontal Property Act.

The common gardens; exterior lighting; swimming pools, areas for sun beds, fences and walls that separate the urbanization from the streets that surround it. As common elements of the whole Urbanization, all owners have a rite of passage throughout all common areas, and the interior of the plots of land or any element that belong to the urbanization's common elements cannot be fenced off as this will difficult access for any owner of the Urbanization to any of the areas within the Urbanization Alcazaba Lagoon Sector I.

Article 9.-TRANSFERANCE OF THE RIGHT OF USE OF COMMON ELEMENTS:

The mentioned common elements can be used privately prior payment, as long as these are not aimed to the general public. If so, any profit obtained from their use will be considered common.

Article 10. -URGENT REPAIRS IN COMMON ELEMENTS:

Owners will not be able to carry out improvements in the common elements or works that modify the building's general appearance unless the General Assembly has previously agreed to this, by simple majority according to the Horizontal Property Act.

If these works are considered useful or necessary and have been carried out in accordance to the good faith of the owner who has carried them out, they should be refunded by the community.

If the works are considered urgent, an owner will be able to carry these out without a prior authorization, however, they must inform the community President of their intention and the expenditure incurred must be refunded by the community.

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The right to the refund will be lost if the works are considered sumptuous or unnecessary.

In any event, if once the works on common elements by an owner commence, the General Assembly or the President instructs for these works to be stopped, the owner who has carried out these works will have to stop these; however, he will not lose the right to a refund of the expenditure incurred to date.

Article 11. -BUILDING WORKS INSTRUCTED BY THE PRESIDNET OR ADMINSTRATOR:

The President or Secretary-Administrator will be able to carry out ordinary repairs on common elements, without a prior agreement by the General Assembly, and the decisions that they carry out will be compulsory for all owners.

Extraordinary repairs, new constructions or improvements cannot be instructed by the Secretary-Administrator, unless they have the approval of the President, as long as the budget does not exceed ten percent of the budget approved by the General Assembly for the financial year in course, and will need the approval of the general assembly if the cost were more than said amount.

In the event of urgent repairs, the President will be able to instruct the execution of the necessary measures to guarantee the security of the building until the General Assembly can meet to this effect.

Article 12. - RUIN AND RECONSTRUCTION OF THE BUILDING:

If any of the buildings within the Horizontal Division was gravely deteriorated to the extent that its repairs are over seventy percent of its value, the building would be considered in ruin, and will be pulled down, the share that corresponded to it within the Community will be divided on the resulting land in the same proportion as that that the owners of the building had in origin.

The owners who are in this situation must reconstruct the building, paying the costs in accordance to their original shares. The projected reconstruction will provide each owner an element within the horizontal division that must coincide with their original element both in use, location, size and distribution.

If the loss of the building was subject to an insurance claim, the compensation obtained will be distributed amongst all owners according to their share or will be used to pay for the expenses incurred in the reconstruction.

Because of the way this urbanization is built, if the ruin or grave deterioration only affects a single property or one of the buildings that form the urbanization, and there were no guilt or negligence, the reconstruction will be paid for by all the owners within the complex.

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CHAPTER III: REGULATION OF PRIVATE ELEMENTS:

Article 13:- PRIVATE ELEMENTS

Private properties are those whose numbering, location, use, surface, boundaries and shares make up for the total of those included in the horizontal property regime and in the terms that are described in said constitution title.

Private elements are all of those within the boundaries of each independent property, such as walls, flooring, interior installations and others.

Article 14. - UNALTERABILITY OF PRIVATE ELEMENTS:

The terraces that each property has, even though they are private elements, cannot be modified without the prior authorization and approval of all owners, approved in a General Assembly as these are part of the façade of the building. In the event of this closure being approved, it shall be carried out according to a model and design that will be common throughout the Urbanization.

To this effect it is specified that the installation of glass vertical parameters for those terraces that have a ceiling, in accordance with the following characteristics:

They must be foldable, working as independent sheets of glass and with no vertical profiles. The sheets of glass must be of 10mm colorless tempered glass, with polished edges around the whole perimeter. The color of the profiles and covers must be lacquered white.

No owner will modify the general conducts, water conducts, drains, electricity conducts, telephone, antenna signal conducts, within their property without the permission of the administrator.

Article 15. -FEES

Each private property will have a share in hundredths that will determine their participation within the total value of the constructed buildings in each of the plots of land that belong to the Urbanization Alcazaba Lagoon Sector I, in the common elements and in the profit or losses due to being part of the community.

The shares that correspond to each private property are those ones that are at the end of the description of each element in the Horizontal Division and in each property's Title Deeds as “Allocated share”.

The allocated share will correspond to each of the Registered properties within the Urbanization and it will be calculated by applying the share of each of the registered properties, the percentage that corresponds to the plot of land on which it has been built within the urbanization and that is identified in the Title Deeds as “Allocated Share within the Urbanization”.

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Article 16. -USE OF THE PROPERTIES:

The private properties within the urbanization shall necessarily comply with their designated use. If another use was required, the approval of the modification at a general assembly by simple majority would be required.

Article 17.-CONSTRUCTION WORKS WITHIN THE PRIVATE PROPERTY

Owners of apartments will be able to carry out those works that they consider convenient within their private property, as long as these do not affect the building's security, and do not affect the rights of the rest of the owners, the façade of the building, and do not alter the general conditions of the urbanization, as long as they obtain the necessary building license from the local authorities to carry out these works.

Regarding the common elements and installations that pass through a private property, any works to be carried out that affect these will require the prior approval of the Community Administrator and President.

Article 18. -NECESSARY CONSTRUCTION WORKS WITHIN THE PRIVATE PROPERTY:

It is compulsory for owners to carry out any Works and repairs necessary if not doing these can jeopardize the common property or the property of another participant, and will respond to the damages caused by this omission.

They are also obliged to repair the installations and services that belong to them & the interior conducts and, if they do not comply, they will also be responsible for the damages caused. The owners will also respond to damages caused to the common property by third parties that are in their property.

Article 19. -TO OBTAIN THE COMMUNAL STATUS:

The Community will be able to purchase a private property within or outside the urbanization, prior agreement of the General Assembly. The purchase can be carried out as follows:

- a) To include the purchased element into the Community as a communal element. In this case, the General Assembly, with the consent of the affected parties, will determine the increase in the shares of the affected properties sufficiently to cover that of the property that is becoming communal. If this property were outside the Community, the specific reason for the purchase will be determined as well as its communal use. If necessary for this purchase, an extra fee will be agreed upon and issued and or it will be complemented by the reservation fund if available.
- b) If said property has unpaid community fees, with penalties or interests derived from the delay in payment and expenditure caused by the claim, both in or out of court, the reason for the purchase would be the future sale, and in the meanwhile, the community will have to pay for the corresponding community fees and may obtain income from the property by loaning it, or renting it or by using any other legally recognized means. A unanimous agreement will not be necessary for this purchase, with a simple majority being sufficient.

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In any case, the purchase and latter sale of the property, as well as obtaining the necessary title deeds to register the liberation and modification of fees in the first case, and the acquisition an latter sale in the second case, will be signed off by the President of the Community in the terms previously agreed.

Article 20. -RIGHT OF WAY (eneasment):

The existence of an obvious right of way established by the developer, that affects one or various private properties (considered serving estate) in favor of one or various also private properties (considered dominant estates) or of the Community, will be sufficient title for, once the affected or benefited properties change hands to a third party, this right of way to be established according to the apparent situation.

Right of way will normally be considered sufficient if used to access a private property through another, including water conducts, drains, electricity, telephone, internet, antenna signals and other similar ones. These last eneasements will also be considered right of way for the maintenance, repair or replacement of the affected pipelines.

CHAPTER IV: COMMON EXPENDITURE

A. -COMMON EXPENDITURE

Article 21. -COMMON EXPENSES:

Expenditure derived from the use, conservation, consumption, ordinary or extraordinary repairs of common elements, necessary or useful repairs, and all other that tend to increase the value of the building, will be distributed amongst owners according to the share the have within the urbanization, according to the corresponding budget or according to a specified distribution if so agreed.

Article 22. - DETERMINATION OF EXPENDITURE:

At the Annual General Meeting, that must take place within the four first months of each year, the budget for the previous complete or partial financial year will liquidated and the current year's budget will be discussed and approved.

Article 23. -TACIT EXTENTION:

If the Budget for the financial term was not approved at an Annual General Meeting, the previous budget will be tacitly extended with the same provisions and distribution of expenditure.

Article 24. - ACCEPTANCE OF EXPENDITURE:

The expenditure referred to in the previous articles will be paid for by all owners in accordance to the share that they own within the urbanization.

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No owner will be able to make himself exempt of the payment of these expenses by surrendering or waiving their participation in the common elements, except for those cases included in the FIRST TRANSITIONAL CLAUSE of these Statutes.

Article 25. - OTHER EXPENDITURE:

The expenditure derived from Administration, maintenance, replacement, use and any other regarding the urbanization that are not included in the previous articles will be paid for by all the participants according to their share in the urbanization.

The water and electrical supplies for the common areas will be paid for by the Community Administrator as part of the common expenditure. Regardless of this, the Administrator will require the installation of individual meters in specific areas that supply certain private properties, or an area that supplies an individual private property, to determine and charge the specific water and electricity usage for said properties.

Article 26. - EXTRAORDINARY FEES:

Extraordinary fees to tend to specific situations not included in the ordinary budget, will be paid for separately from the ordinary budget, they will be issued within the first five days of the month when they are to be paid, either partially or in total, as agreed by the General Assembly that approved them. The payment shall be made within the first twenty five days of the month, according to Article 30 of these Statutes.

Article 27. - USE OF THE RESERVATION FUND:

The Reservation Fund shall be used for those items on the budget that are not sufficient to cover the actual costs and will cover the ordinary necessities that the community has in the event of late payers or debtors.

The Reservation Fund will be deposited in a special bank account, open in the Community's name, and the funds will be made available for the Administrator and the President by joint signatures.

B. -BUDGET:

Article 28. -BUDGET:

To put together the Community's ordinary budget, or a budget for a specific area that can be individualized, and to proceed to its distribution, it will be understood that the minimum items to be covered in said budget will be:

- Water use, as determined by the water meters that will specify the water used in each area and those properties that require individual meters.
- Electricity use for common areas, separating those that correspond to a specific area with a specific issue within the communal areas, and determining those properties that require individual meters.
- Lift maintenance and repairs.

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- Insurances, specifying any excess in the insurance premium caused by the use of a specific area or property.
- Contributions and taxes, unless these have already been distributed.
- Cleaning and conservation of common elements.
- Provisions for repairs and replacement of small elements.
- Administration: the Secretary-Administrator’s fees and those of those persons that are hired for this service for the Administration of the complex, as well as the expenditure derived from the acquisition of materials or utensils for the administration of the building or complex or for its cleaning.
- Salaries and expenditure, including social security, of the personnel hired by the Community.
- Gardening and maintenance of the common elements, as well as the swimming pools, including materials, utensils and machinery necessary for these works.
- Reservation fund with five percent of the total of the rest of the expenditure.

Article 29. - DISTRIBUTION OF THE BUDGET:

Once the urbanization’s budget has been determined and approved, as well as any specific budget for a specific area, the Secretary – Administrator will issue the corresponding fees to each owner for payment, either monthly, quarterly or six monthly (as previously agreed on by the General Assembly), in accordance to their share within the urbanization.

These owners will be able to be informed of the amount due before the fifth day of the month when they are due, and must be paid for before the 25th day of the corresponding month, or of the month when they are due.

The payment will be made at the address of the Community of Owners, however, each owner in agreement will be able to set up a direct debit with the Bank of their choice to pay the corresponding fees, if the payment were not met, the returned fee will be sufficient to prove that the owner who has returned this fee has become a debtor, with the effects and consequences established.

C. -DEBTORS:

Article 30. -OWNERS WHO ARE DEBTORS AND PENALTIES:

Ordinary and extraordinary fees that are issued and not paid for two month after they are issued will mean that the owner will automatically become a debtor, and no prior notification or indication will be necessary.

Owners who are debtors will be sanctioned with a financial burden corresponding with ten percent of the unpaid ordinary or extraordinary fee or fees.

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The Administrator will inform the debtor of him becoming a debtor and the penalty imposed by these statutes and requesting that payment of the full amount be made within fifteen days of the requirement.

If the debtor remains so for over three months, as well as the penalty imposed, the debtor will have to pay the Community interest on these amounts, consisting of EURIBOR plus ten percent per annum, which will be liquidated according to the total days that the owner remains a debtor.

At the end of each financial year, or before if legal actions are going to be issued against the debtors, the Administrator will certify the amount owed by the debtor, itemizing the original debt, the penalty and the applicable interest on the debt. Each certification will be binding for all sides involved, regardless of the claim or any other legal actions that the debtor can take against the Community denying the existence of the certified debt.

Debts will not be considered paid unless the penalty and interest are also paid. The payment of these fees into the Community's bank account will not be considered a payment of the debt nor will release the debtor from his other legal obligations.

Owners who do not pay their fees or who are considered debtors in the payment of their ordinary or extraordinary community fees will not be able to use the Communal swimming pool while their situation persists, unless they pay the corresponding debt in the notary or in Court.

The Community internet service, through the community provider, will be temporarily suspended if an owner has not paid their fees or is considered a debtor in the payment of their ordinary or extraordinary community fees while their situation persists, unless they pay the corresponding debt in the notary or in Court.

Owners who do not pay their fees or who are considered debtors in the payment of their ordinary or extraordinary community fees will not be able to use the Lagoon and associated services while their situation persists, unless they pay the corresponding debt in the notary or in Court.

Article 31. -COMPULSORY RECLAMATION:

The Administrator and the President, who allow for an owner to become a debtor for over a year, without having presented the necessary claim, will be jointly and severally responsible for the damages that this nonpayment causes the community.

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D.-FINANCIAL TERM:

Artículo 32. – FINANCIAL TERM:

The Community's financial term will finalize at the end of the natural year, prior to the liquidation of the completed budget. If there were a surplus, it will be considered income for the following year. If there were a deficit, an extraordinary fee for all owners to pay will be issued to cover this deficit.

In both cases, the General Assembly will decide on any adjustments to be made on the budget for the upcoming year.

E. -INSURANCE

Article 32. -INSURANCE

It is compulsory for the urbanization to be insured against fire damage, as well as any other risks that the General Assembly considered convenient.

The value of the urbanization will be established according to the valuation issued by the insurance company.

If an owner considers that the insurance does not cover the totality of his private belongings, he will be able to contract a supplement to this policy or an independent policy to cover the difference. In this case, the owner in question will be liable for the payment of the supplement or the new insurance policy, and any compensation obtained from this insurance will only affect the owner in question.

In the event of a claim, any compensation obtained from the insurance Company by the Community, will be paid into the Community bank account and distributed by the Secretary-Administrator or the President, if the President is also the Appointed Secretary-Administrator.

Article 34. -ASSIGNMENT OF THE COMPENSATION:

If there were a partial claim, the compensation received will be assigned to the repair of the affected items. If the compensation were insufficient, it will be completed with an extraordinary fee issued to each owner or with the Extraordinary Reservation Fund if available.

If the compensation were more than the cost of the repair, the excess will remain in the Community's account, and will contribute to becoming or increasing the Reservation Fund.

If the compensation were total or in excess of fifty percent of the value of the building, it will be rebuilt. This will be carried out with the compensation received from the Insurance company and the existing compulsory Reservation Fund, and will be completed by payments by owners in accordance to their share within the urbanization.

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CHAPTER V: COMMUNITY ADMINISTRATION:

Article 35. -COMMUNITY ADMINISTRATION:

The Community Administration corresponds to the Governing Body.

The Governing Body is:

- The General Assembly of owners.
- The President and, if appointed, vice-presidents.
- The Secretary.
- The Administrator.

The General Assembly, by majority of owners and shares, will be able to establish other members for the Governing Body of the community without prejudice to the functions and responsibilities of the other main members.

A. -OF THE GENERAL ASSEMBLY.

Article 36. -GENERAL ASSEMBLY:

The General Assembly will meet annually, within the first six months of each year.

The General Assembly can meet extraordinarily on as many occasions as considered necessary by the President or by a number of participants that represents at least a quarter of the shares of the community.

The call will be issued by the President or by the opposition, the promoters of the meeting, according to Article 16 of the Horizontal Property Act.

The call for the Assembly will include the date, time and place for the meeting to be held; the date and time for the second call for the meeting, that can be thirty minutes after the time scheduled for the first call, and the Agenda; it will be sent to all owners by registered delivery post to the provided address, or it will be sent by email if the owner has provided these details. It will also be published on the notice boards at the main entrance and at the entrance of each of the blocks.

There will be at least eight days between the call for the meeting and the date it is to be held. Owners who are debtors when the meeting commences, and who have not challenged the corresponding amounts in court or paid these to the Notary or to the Court, will be able to participate in the meeting but will not be able to vote on the items discussed.

Article 37. -ANNUAL GENERAL MEETING:

The object of the Annual General Meeting will be:

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- a) To appoint and remove the persons established in article 35 of these Statutes and to decide on any claims issued by the owners of properties against actions of the above mentioned.
- b) To approve the expenditure and income plans and corresponding accounts.
- c) To approve ordinary or extraordinary budgets and repairs to be carried out on the property, and be informed of any extraordinary actions carried out by the Administrator.
- d) To approve or modify the statutes and determine rules and regulations.
- e) To know and decide on any other items of general interest for the community, agreeing on necessary or convenient measures to improve common services.
- f) To propose sanctions for noncompliance with the rules and regulations.

Article 38. -EXTRAORDINARY GENERAL MEETINGS:

Extraordinary General Meetings will be held to discuss any issues in the interest of the community and that are not the object of the Annual General Meeting.

Article 39. -UNIVERSAL MEETINGS:

The Universal Assembly will be duly commenced, with no need of a prior agenda, if one hundred percent of owners and their shares are present or represented and the unanimously agree to hold the Assembly and the items to be discussed.

Article 40. -WRITTEN AGREEMENTS:

The community will be able to carry out written agreements as long as these are proposals directed to owners by the President and are responded to by all of these expressing their agreement, conditions or objections.

Article 41. -COMPETENCE AND REPRESENTATION: CERTIFICATION AND ACREDITATION OF AGREEMENTS:

The General Assembly will have the powers established in Article 14 of the Horizontal Property Act and the agreements reached must comply with the terms and majorities established in Article 17 of the Horizontal Property Act.

The decisions reached by the General Assembly shall be included in the Minutes to the Meeting that must contain:

- The place, date and time of the meeting.
- The author of the call to the meeting and, if that were the case, the owners who have requested the meeting.
- If it is an ordinary or extraordinary meeting, and if the meeting was held in first or second call.
- The agenda.
- The list of attendees and their positions on the board, as well as the represented owner and their shares, as well as the quorum of attendees.
- The agreements reached, indicating the majority that approved these; and the names of those owners who voted for or against these, as well as their shares that they represent.

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- Any comments considered of importance to be included in the minutes.

The minutes will be included in the minutes book that will be certified for the use of the General Assembly and will be signed by the President, the Secretary-Administrator and two members of the General Assembly appointed for this chore.

All agreements reached will be certified by the Secretary-Administrator with the approval of the President, will be compulsory for all owners, including those absent or dissident, regardless of the right to challenge the decision in Court as established by Law.

Each owner can be represented at the General Assembly by another person according to Article 15 of the Law, with the specifications for co ownership, usufructs and rights of ownership explained in said article.

Article 42. -THE PRESIDENT

The General Assembly will choose a President from amongst the members, who will represent the Community legally in and out of court. He will have the faculties and prerogatives given to him by the specific legislation to be applied and these Statutes. The post shall have the duration of one year and can be reelected or tacitly reelected year by year.

The President will not be able to delegate his responsibilities on to another party; however, he will be able to give other persons specific faculties and will also be able to appoint solicitors and lawyers to represent the Community.

The General Assembly will be able to appoint a Board of director who will help and advise the President and that will consist of an even number of vocals that will be completed by the President himself. Their agreements will be reached by a majority vote.

Article 43. -AVAILABILITY OF FUNDS:

Notwithstanding small amounts that can be held as cash for small purchases and payments, the Community funds will go into one or various bank accounts in the Community's name. The reservation funds will go into a saving account or deposit account until they are needed.

Transfers of funds in these accounts, and specially, withdrawals, will require the joint signature of the President and the Secretary-Administrator.

Article 44. -THE VICEPRESIDENT:

The appointment of a vice-president will be optional; and will be appointed by majority at a General Assembly, following the same procedure as established for the appointment of the President. His role will be to take the Presidents place when he is absent, vacant or not available, as well as assisting him in the tenure of their office, as established by the General Assembly. His appointment will be for one year and he can be reelected.

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Article 45. -THE SECRETARY-ADMINISTRATOR:

The General Assembly will be able to appoint a Secretary who will also act as Administrator; these posts can also be appointed to separate people. Any owner can carry out these functions, as well as external persons with the sufficient professional qualification and legally recognized to carry out these functions, and they must be duly registered in the College of Chartered Community Administrators that corresponds to the Municipality where the Urbanization is located. These functions can also be carried out by a company, in the terms established by Law, as long as this company is duly registered in the College of Chartered Community Administrators that corresponds to the Municipality where the Urbanization is located.

The Secretary-Administrator, as well as issuing the necessary certificates under his own responsibility, will carry out the Community's accounting, make any necessary payments, charge the agreed community fees and supervise the maintenance, order, decency and cleanliness of the urbanization.

The Community President cannot be appointed Secretary or Administrator.

The appointment of the secretary-Administrator shall have duration of two years, and can be reelected after this term is complete.

Article 46. -COMMUNITY BOOK KEEPING:

The books that the community shall have, duly registered in the Property Registry, as the urbanization has a Horizontal Division, are:

The minutes book for general assemblies.

Article 47. -UNBOUND BOOKS:

The Secretary-Administrator shall have a digital registry of the following books:

The book of owners, this is a registry of the owners of each of the independent properties and the changes in the ownership of these properties, as well as their addresses and, if applicable, telephones, telefax, mobile phone and email address of each of the owners.

The inventory and yearly ordinary or extraordinary budgets.

Article 48.-AUDITING OF ACCOUNTS:

When the President is appointed, the General Assembly will also be able to appoint from amongst its members, two auditors who will review the yearly accounts, and they will necessarily have to present their report to the General Assembly if they have been appointed. The duration of this post will also be yearly and they can be reelected. These auditors will not necessarily be accountants or auditors.

The auditors will be renewed, if appropriate, at the Annual General Meeting once the financial year has concluded.

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Regardless of this appointment and their performance, the General Assembly, if so required by at least twenty percent of the community shares, carry out a technical audit of the accounts of one or various financial years. The expenditure derived from this audit will be payable by the Community.

CHAPTER VII: TERMINATION OF THE COMMUNITY

Article 49. -TERMINATION OF THE EXISTING PROPERTY REGIME:

The Property regime of individual dwellings will be terminated if there is a total destruction of the urbanization, or a ruin of over seventy percent, forced expropriation or confusion between the rights of the owner.

Artículo 50.- LIQUIDATION:

If there were a confusion of rights, no liquidation would be necessary as all the properties have the same owner, who will be able to continue with the established legal regime while he is the sole owner if he wishes to do so.

CHAPTER VIII: RULES AND REGULATIONS:

Artículo 51.- RULES AND REGULATIONS:

1. GENERAL

- 1.1 These regulations are based on Article 51 of the Community Statutes (By-Laws), and extend what is contained in said Article. These and other provisions in force are applicable to owners, family, guests, tenants or other persons occupying the apartment, as well as any other person present in the Community, even if this presence is temporary.
- 1.2 The owner of the property must inform tenants or guests of these regulations and assure that they are enforced, and is directly responsible for any claim against the persons using their property.

2. THE USE OF THE APARTMENTS

- 2.1 The apartments shall be devoted exclusively to housing, it is forbidden for any trade, business or trade in them, and likewise any activity that is dangerous, uncomfortable, unhealthy or in violation of morality, decency and public order or liable to disturb the silence or quiet of its inhabitants, or that contravenes the municipal ordinances.
 - 2.1.1 Any resident (owner or tenant) will avoid causing noise that may disturb the peace and quiet or his/her neighbors, especially loud radios, TVs, music, parties, slamming doors, high heels, moving furniture, gym machines, video games, machinery, etc.
 - 2.1.2 Due to the configuration of the apartments, the use of grills and bbqs is forbidden on all apartments apart from penthouse apartments, due to the disturbance caused by smoke.

HORIZONTAL PROPERTY STATUTES FOR THE COMMUNITY OF OWNERS OF “ALCAZABA LAGOON SECTOR I”

- 2.1.3 It is prohibited for anything to be placed on the terrace that is visible from the outside, including hanging clothes to dry (washing lines, or over banisters, furniture, hedges, trees), including towels and swimsuits. It is also prohibited to throw objects, including cigarette butts, water, etc., from terraces. When watering plants on terraces or cleaning these, this will be carried out with sufficient care to avoid wetting adjoining terraces.
- 2.1.4 Objects cannot be left on landings or stairs, including rubbish bags, boxes, cat litter trays, shoes, floats, surfboards, bicycles, prams, etc., as well as pet food or water.
- 2.1.5 Garbage bags shall be placed directly in the garbage containers placed in the Community, no outside the apartments on common areas, landings or stairs, paying particular attention for hygiene reasons, that these garbage bags are properly tied. Only large items that do not attract insects or other pests can be left outside these garbage containers.
- 2.1.6 It is explicitly forbidden to display “FOR RENT” or “FOR SALE” signs or any other type on the façade of the buildings or on the properties themselves. These can be placed in the community notice boards.

3. GARDEN AND EXTERNAL AREAS

- 3.1 The Gardens and common areas belong to all the owners within the Community, and will be maintained in the best condition possible, all residents and visitors will take special care so as not to damage plants, trees, grass, hedges, etc. Ball games and any other activities that may damage these areas or be a nuisance to neighbors are prohibited. Children are not allowed to cycle, skate, skateboards or similar on the roads that run through the complex.
- 3.2 For security reasons, the maximum speed allowed on all roads in the complex for any vehicles is 30Km/h.
- 3.3 For hygiene reasons, picnics, snacks, meals, etc. are not allowed in the garden areas, especially in the pool solariums, as well as glass containers /bottles for drinks, etc.
- 3.4 Music is not allowed in the common areas unless headphones are used, or prior approval of the Committee is sought.
- 3.5 Any garden furniture, etc., that are put on the grass- garden area will be removed at dusk every day so that the gardeners can carry out their duties.

4. SWIMMING POOLS

- 4.1 The use of pools is reserved for owners, their family members and their guests as well as Alcazaba Lagoon Sector I residents. These guests and general users must abide by these rules and regulations to ensure the good use of these installations.
- 4.2 Outsiders are not allowed to access the Communities common areas, gardens or pools, if outsiders are detected, they will be invited to leave, and the presence of the security guards can be requested for this purpose.

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- 4.3 Pool users must use the shower before entering the pool as lotions, oils; etc. can stabilize the balance of the products used in the pool and derive in a temporary closure of the installation.
- 4.4 If you have a contagious disease, you cannot use the pool.
- 4.5 Proper swimwear must be used for bathing in the pool. Clothes, t-shirts, dresses, shirts, pants, and trousers are not allowed.
- 4.6 Animals are not allowed in the pool areas, even if they are on a leash, except for guide dogs.
- 4.7 Jumping off the decorative waterfall or other elements in the pool area is not allowed.
- 4.8 The use of floats, balls, inflatable beds, etc. is not allowed in the pools.
- 4.9 Waste, rubbish, and specially glass and other cutting elements are not allowed in the pool area, cannot be left on the grass or thrown in the pool and should be disposed of in the bins provided.
- 4.10 Children must be accompanied by adults during their stay in the pool, the Community or its insurance will not be liable in the event of an accident.

5. VEHICLES, TRAFFIC AND PARKING

- 5.1 All vehicles, cars and motorcycles must be properly parked in the allocated parking areas throughout the community. By no means can vehicles be parked on roads. Motorcycles cannot occupy a parking space for themselves.
- 5.2 Trailers, mobile homes, caravans and any other vehicles of this type must be properly parked in the area allocated by the municipal authorities. As there are currently no allocated areas in Alcazaba Lagoon Sector I, these cannot be parked permanently or used as permanent or temporary housing.
- 5.3 The use of car horns is not allowed in streets or parking areas.
- 5.4 Motorcycles or other vehicles cannot be revved in the garage areas, roads or public areas.
- 5.5 The speed limit is 30Km/h throughout the complex.

6. PETS

- 6.1 All pets must be kept on a lead at all times.
- 6.2 Pets are not allowed in the pool area unless they are guide dogs.
- 6.3 If your pet, including dogs, fouls in the Urbanization, it will be your responsibility to collect and clean up and dispose of these in the bins provided.
- 6.4 All animals must be correctly vaccinated and registered in accordance with existing laws and municipal regulations by the Casares Town Hall. The corresponding documentation should be available if required by the Authorities or the Security Officers.
- 6.5 Dogs with aggressive tendencies, as well as those considered ‘dangerous’ should be muzzled at all times and correctly registered with the authorities.
- 6.6 Animals should not be fed in public areas, stairs, gardens, etc.

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- 6.7 Dogs must not be left on terraces when the owner is not at home.
- 6.8 We must ensure that pets, especially dogs, do not disturb other residents with barks, howling, etc.

7. ALTERATIONS

- 7.1 The façade belongs to the Community; no alterations can be made, including decorations, painting, curtains, closures, etc., without the prior approval of the General Assembly, as these may change the exterior appearance of the building or the interior appearance, as well as the structure and safety of the building.
- 7.2 Any exterior alterations, even if they comply with the previous paragraph, shall be submitted to the General Assembly through the Administrations office, accompanied by the technical project detailing the works considered. Having obtained the Municipal building license will not influence the decision of the General Assembly.
- 7.3 The Community, through its governing Board reserves the right to take legal actions against any owners who fails to comply with paragraphs 7.1 & 7.2 of these rules, and can not only demand the return of the alterations to their original state but also to demand damages is necessary.
- 7.4 The color of Awnings must be COLOR: OLD LACE: #FDFSE6, PANTONE - PASTEL 9140, BLANCO ROTO; the Administration will facilitate the name of a supplier.
- 7.5 Penthouses cannot install permanent structures on the pergolas, including glass curtains, roofs, etc.
- 7.6 Grills cannot be installed on windows.
- 7.7 Security Shutter (persianas) can be installed on windows, except living room and patio windows and doors.
- 7.8 Works cannot be carried out during holidays (Easter, mid-June, July & August, Christmas), weekends or any bank holidays.

8. COMMUNITY EMPLOYEES AND SERVICE COMPANY PERSONNEL

- 8.1 Community employees shall be directly and solely to the orders of the President and / or Administrator.
- 8.2 Any complaints that owners may have against any employees of the Community and or Service Company Personnel should be addressed, preferably in writing, to the Administrator or to the Community President.
- 8.3 The Security Personnel on the Complex will be duly informed of these Regulations and are duly authorized to enforce them.
- 8.4 Owners cannot be on the Community Board / Committee if they have any commercial relationship with the community.

HORIZONTAL PROPERTY STATUTES FOR THE COMMUNITY OF OWNERS OF “ALCAZABA LAGOON SECTOR I”

9. RENTALS

- 9.1 The Administrator must be informed of the keyholder – rental agency in charge of the property.
- 9.2 The property must be duly registered in the Andalucía Holiday Home registry. And the corresponding registry of guests must be completed with the local authorities in charge of this registry.
- 9.3 Tenants must be made aware of these rules and regulations and must abide by them at all times. These rules and regulations should be attached to their rental contract and visible in the apartment at all times. Noncompliance with these rules and regulations will mean the termination of the rental agreement.
- 9.4 The Owner will be responsible for the good behavior of their tenants and will be liable for any damages caused by the rental / guests.

10. FINAL CLAUSES

- 10.1 The present regulations are approved at General Assembly on the 11th of April 2017.
- 10.2 The present regulations are drafted and approved in Spanish, although there is a courtesy translation into English available. In case of disagreement on the interpretation of this regulation, the Spanish interpretation will be legally binding.

FINAL CLAUSES

A. -AUTHORIZED PROCEEDINGS

Regardless of what is established in the Horizontal Property Act, the owners of private properties in the building will be able to join these, as long as they are adjacent properties, divide them, separate a section, regroup them or join them to another, and, in general, modify its description and carry out any other rigorous domain modifications on these, as long as these actions do not affect the rest of the properties or the shares established, they will not require the prior agreement of the rest of the owners, as their approval is granted here. In any case, the total share or shares object to the distribution or addition will be equivalent to the total original shares that the properties had prior to these actions.

B. - MODIFICATIONS THAT DO NOT IMPLY A MODIFICATION OF THE HORIZONTAL DIVISION:

The Article classed as “Rules and Regulations” can be extended, reduced or modified by simple majority at a General Assembly with this item included on the agenda.

C.- URBANISTIC CONSERVATION ENTITY:

Urbanization “Alcazaba Lagoon Sector I”, that these Statutes refer to, is part of the URBANISTIC CONSERVATION ENTITY UR-13 “ALCAZABA LAGOON”, with the rights and obligation that this condition gives it and will be represented in this Entity by the Governing Body in the terms established in these Statutes.

HORIZONTAL PROPERTY STATUTES FOR THE COMMUNITY OF OWNERS OF “ALCAZABA LAGOON SECTOR I”

The Community of Owners of Alcazaba Lagoon Sector I will collect the fees corresponding to the Entity from each owner and will forward these fees to the Entity once they are collected, hence the Entity fee will be issued and collected along with the community fee for each property. Once these fees have been collected, the Community will transfer them to the Entity.

TRANSITIONAL CLAUSES:

FIRST. - PARTICIPATION OF EACH FASE IN THE COMMON ELEMENTS:

The owners of all the dwellings and other properties that form Urbanization “Alcazaba Lagoon Sector I” will contribute to the common expenditure for their blocks and for those elements common to the whole complex and this share will be determined individually in the Horizontal Division Title Deeds and will be referred to in the Title Deeds of each individual property as “Share within the urbanization”.

SECOND.- POWER OF ATTORNEY:

While SAGAMORE REAL ESTATE, S.L. ownseven one of the dwellings, parking areas or storage areas in Urbanization ALCAZABA LAGOON SECTOR I, they will have the following rights:

- To establish Rules and Regulations for the Community of Owners.
- To separate, divide or group properties that they still own.
- To build additional storage areas or parking areas and allocate shares within the community to them.
- Redistribute the community shares amongst these properties due to the separation, divisions or aggrupation of dwellings or the construction of storage areas and additional parking areas, not being able to increase the share of those properties that have already changed hands, but they will be able to conceal these.

To carry out these actions, each and every owner of the existing properties and those divided and what could be divided in the future authorize them to establish services, rites of passage, lights, visits and any other real nature that may affect the properties, determining their extension, content, reach and effects.

The abovementioned faculties and any other accessory or complementary ones will be carried out by SAGAMORE REAL ESTATE, S.L. with the power of attorney hereby granted and in irrevocable representation of the current and future owners of the buildings.

Para el ejercicio de tales facultades quedará autorizada y delegada por todos u cada uno de los propietarios que devengan de las fincas divididas y que se dividan en lo futuro para establecer servicios, servidumbres de paso, luces y visitas y demás de naturaleza real que afecten a las fincas, determinando su extensión, contenido, alcance y efectos.

Las anteriores facultades expresadas y cualesquiera otras accesorias o complementarias serán ejercitadas por SAGAMORE REAL ESTATE, S.L. como apoderada y en representación irrevocable de los distintos y sucesivos propietarios de las edificaciones.