

STATUTES FOR THE COMMUNITY OF USERS OF THE RECREATIONAL LAGOON OF ALCAZABA LAGOON

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STATUTES FOR THE COMMUNITY OF USERS OF THE RECREATIONAL LAGOON OF ALCAZABA LAGOON

In Casares, on the 14th of January of 2016.



TITLE 1. GENERAL DISPOSITIONS

ARTICLE 1. OBJECTIVE.

The objective of these statutes is to create the rules that the Community of Users of the Recreational Lagoon of Alcazaba Lagoon must obey. The Recreational Lagoon includes, for the purpose of this Community, the lagoon itself and the adjacent necessary installations that are in the plan attached to these statutes, located in the plot of land indicated in this plan, where the lagoon surface is indicated in a marked line.

ARTICLE 2. TITLE DEEDS.

This Community of Users has been established in the Minutes for its constitution on the same date as these statutes.

ARTICLE 3. MEMBERS OF THE COMMUNITY.

- Whoever is the owner of a property or dwelling in Urbanization Alcazaba Lagoon, which is integrated by the plots of land mentioned in the annex that is attached as Annex Number One to these Statutes, will be a member of the Community with all the necessary rights that this entails. The Lagoon cannot be used by anyone who is not an owner of a property or dwelling or who does not live with one of these.
- All owners of dwellings or inhabitable properties in the Urbanization, both those built and those projected to be built in the future, will be members of this Community. To become part of this community the developer (Sagamore Real Estate SL), will merely need to provide the President of the Community with a copy of the contract. If the property is sold to a third party, the seller will automatically stop being a member of this community; and the sale of the property will also mean a resignation of these rights. The Community must automatically accept the new owner as a member. The seller will necessarily include in the Title Deeds for the property that the new owner accepts being part of this Community and accepts these Statutes.
- The necessary authorization is hereby granted and accepted, from the Community to Sagamore Real Estate S.L. and/or the person designated by them, so that, until the last property in the Urbanization is sold, they will be able to incorporate and make a user of the COMMUNITY OF USERS OF THE RECREATIONAL LAGOON OF ALCAZABA

LAGOON, of the purchasers of these properties, in the terms established in the Statutes of this Community, that are accepted in the title deeds, and accepted by the new owners as part of this community.

ARTICLE 4. REGULATIONS.

The Community must comply with the conditions established in the contract for the transfer or rights of use of the Recreational Lagoon and the necessary installations, to be signed by Sagamore Real Estate S.L. and the Community of users (attached to these statutes and part of these), as well as complying to these statutes and the Internal rules and regulations here mentioned, that will be binding for all the present and future users/community members.



ARTICLE 5. COMMUNITY DOMICILE.

The domicile of the Community will be in Casares (Málaga), Urb. Alcazaba Lagoon, Autovia A-7, Arroyo Vaquero, KM 150, C.P. 29690. Administration Office.

ARTICLE 6. JURISDICTION.

The community members / Users will resolve any controversy by means of the General Assembly, in the event of any discrepancies or litigation, they will be under the Jurisdiction of the Courts of Estepona.

TITLE II. COMMON AND PRIVATE ELEMENTS.

ARTICLE 7. COMMON ELEMENTS

COMMON ELEMENTS are those that are used for the enjoyment of the Recreational Lagoon and its installations.

ARTICLE 8. PRIVATE ELEMENTS.

There are no private elements, apart from the private property that the Community members / users may bring to the Recreational Lagoon for their enjoyment, such as small ships, that must have been previously authorized by the Board of Directors, chairs, sun shades, and similar elements that must be removed on exiting the area or deposited in an allocated area if in existence.

ARTICLE 9. SHARES

The Community will have as many shares as dwellings in Urbanization Alcazaba Lagoon at any time. These shares will be only for the constructed dwellings, as established in the table attached to these Statutes as “Anexo cuotas”. The shares for the plots of land that have not been built yet, will be the total specified for each plot in this table, and once they have been built, each of the dwellings will have their own share, as per the horizontal division or the internal Community or as freely established by Sagamore Real Estate S.L. or the developer, as long as the total shares of the properties within a plot of land add up to their total corresponding share indicated.

Any alteration or modification to the dwellings, commercial property or general property, will not affect this share, modifications would only be allowed in there were a unanimous agreement.

Each share will correspond to the owners voting rights and to their share of the Community budget for expenditure.

TITLE III. COMMUNITY GOVERNING BODIES.

ARTICLE 10. GOVERNING BODIES.

The Community will be managed by the General Assembly, the President and the Secretary-Administrator. As well as these, a Vice-President can be appointed at the General assembly, if so approved by 50% of shares. The functions awarded to this Vice-President will be to take the place and functions of the President in his absence.

ARTICLE 11. GENERAL ASSEMBLY FUNCTIONS.

The General Assembly will:

1. Appoint and remove the Community's Governing bodies, established in the previous article, and solve any claims that users have presented against the actions that they have carried out.
2. Approve the income and expenditure projections and the corresponding accounts.
3. Approve any extraordinary works or improvements and collect the necessary fees for them to be carried out.
4. Approve or modify the statutes and determine the internal rules and regulations.
5. To be aware of, and decide on, any other items of general interest, agreeing the necessary measures or conveniences for the best common services.

ARTICLE 12. MEETINGS.

The General Assembly shall meet ordinarily at least once a year to approve the budget and accounts. The General Assembly shall meet extraordinarily when:

- When the President considers it convenient.

- When a quarter of the shares ask for it to be convened.
- When users who represent at least 25% of the shares request the meeting.
- When all the members are present and decide to hold a meeting.

ARTICLE 13. CALL

The President will call the meeting, and in his absence, the promoters of the meeting, indicating the agenda, date, place and time where it will be held in first or second call. The call will be delivered to all owner's designated address in Spain, or, if no address has been designated, to the property that they own in Urb. Alcazaba Lagoon.

The call for the Annual General Meeting will be sent at least 10 days prior to the meeting, and for extraordinary meetings, with as much notice is necessary for all owners to be aware.

ARTICLE 14. ATTENDANCE TO THE GENERAL ASSEMBLY.

Attendance will be in person or by legal or voluntary representation. A written and signed document by the member will suffice for this representation. The representative will be able to speak and cast his vote in any of the items discussed as if the member attended in person.

If a property has more than one owner, or belongs to a company, then a representative will need to be appointed to attend meetings and vote in these.

If a property has beneficial owner's rights, attendance and vote to meetings would be for the bare owner.

ARTICLE 15. ELLECTION OF PRESIDENT.

The members will appoint a President from amongst them, who will represent the Community in and out of Court, in any issue that affects the Community. The duration of this mandate will be 1 year, unless there is a resignation of the designated representative, and can be extended for identical periods.

ARTICLE 16. PRESIDENT'S FUNCTIONS.

Corresponds to the President:

- To represent the Community in and out of Court.
- To determine, call and preside General Assemblies, chairing the deliberations and deciding, in the event of a draw, with the casting vote.
- To decide on the Agenda for the General Assembly.
- To carry out the agreements reached by the Managing board.
- To authorize the certificates issued by the Secretary.
- To carry out the functions awarded by the General Assembly.
- Any other functions determined by the Statutes.

The President can be aided in his functions by the Vice-President, who will only take his place if he is unavailable, absent, or ill.

The posts of President and Vice-President are unpaid.

ARTICLE 17. THE SECRETARY – ADMINISTRATOR. ELECTION.

The General Assembly will appoint a Secretary – Administrator who will not be a member of the Community and who will be paid as determined by the General Assembly.



ARTICLE 18. FUNCTIONS.

Corresponds to the Secretary – Administrator:

1. To look after the Recreational Lagoon, its installations and services, and carry out the necessary notices and warnings to the users.
2. To prepare and submit to the General Assembly, with sufficient time, the projected expenditure, proposing the necessary actions to cover these.
3. To make sure that the Lagoon is duly conserved and maintained, as well as its installations and services, carrying out ordinary repairs and, in the event of extraordinary repairs being necessary, to immediately inform the Board or the Owners.
4. To instruct that agreed works are carried out.
5. To do the bookkeeping.
6. To carry out any payments and collect any income as agreed, specially corresponding to the payment of taxes on common elements, specifically issuing receipts to the members with their share of common expenditure, except if the payment is verified by payments into the Community's bank account.
7. To act, if so appointed, as Secretary for the General Assembly, and to custody and make available to all members, all of the Community documentation.
8. To issue the certifications of the minutes and accounting books, that will need to be verified by the President.
9. Any other attributions established by the General Assembly.

ARTICLE 19. REMOVAL.

The Secretary – Administrator can be removed at an Annual General meeting or at an Extraordinary General Meeting.

TITLE IV. REACHING AGREEMENTS.

ARTICLE 20. AGREEMENTS.

Agreements reached by the General Assembly will require a unanimous vote when they imply the approval or modification of the rules established in the community's title deeds or in these Statutes.

Owners who, duly convened, did not attend the Assembly, will be notified of these agreements at the address that they have designated in Spain, with the necessary proof of delivery, of the detailed agreements reached by those who were present, and, if they do not respond within 1 month from the date of the notification, or the attempt for notification, due to them not being present at the designated address, to express their disagreement, they will be bound to this agreement, that will not be executive until this deadline has passed or they have expressed their agreement to it.



ARTICLE 21. VALIDITY OF AGREEMENTS.

For any other agreement to be valid, if these do not imply the approval or modification of the rules contained in the Community's Title Deeds or these Statutes, the vote of the majority of community members, who represent the majority of shares will suffice.

If the majority cannot be obtained due to the non-attendance of owners to the meeting, the meeting will be held in second call. This meeting can be held on the same day, as long as at least half hour has passed from the first call and it has been duly convened previously.

If the duly convened assembly is not held in first call, and a second call has not been established on the meeting agenda, the second call will necessarily be held within the following 15 days from the meeting that was not held, and notified with at least 5 days' notice prior to it being held.

All agreements reached in second call by the majority of attendees will be valid, as long as they represent at least 50% of the shares present.

ARTICLE 22. DAMAGING AGREEMENTS.

If members consider that a majority agreement is damaging for them, then they can take their case before a Judge, to determine if this agreement proceeds, as long as they represent at least a quarter of the shares in the community.

ARTICLE 23. DOCUMENTATION

The agreements reached at the General Assembly will be compiled in the Minutes Book, with numbered pages and duly notarized.

TITLE V. RIGHTS, OBLIGATIONS AND PROHIBITIONS.

ARTICLE 24. DIVISIONES, AGREGARIONS, SEGREGATION.

The right of use of the lagoon and its installations cannot be passed on to a third party, without the full agreement of Sagamore Real Estate S.L. or the company or person who has been awarded this right, as this right is established solely for owners of properties in Urbanización Alcazaba Lagoon.

Members will not be able to modify the architectonical elements, installations or services in the Lagoon.

ARTICLE 25. IMPROVEMENTS

No member can demand new installations, services or improvements that are not required for the conservation or functioning of the Recreational Lagoon.

When valid agreements are reached to carry out improvements that are not required according to the previous paragraph, and who's installation is more than one month's ordinary expenditure, the owner who does not agree, will not be bound by this improvement nor will his fee be modified, even if he cannot be deprived of the use of this improvement or advantage. If he can be deprived, then he will not be able to use it, and if he wishes to make use at any point, he will need to pay the agreed fee for the improvement and its maintenance.

ARTICLE 26. OBLIGATIONS.

A. OBLIGATIONS FOR THE COMMUNITY OF USERS:

- Compliance to all the agreements and conditions established in the Agreement of Rights Contract for the use of the Recreational Lagoon and its installations, carried out between Sagamore Real Estate S.L. and the Community of Users (Attached to these Statutes and a part of these).
- Compliance to contract a Third Party Responsibility insurance, that will be considered a common ordinary expenditure or maintenance expenditure, in the name of the developer Sagamore or the Community of Users, until the last property is sold in the urbanization.
- Until the last apartment or property is sold and the ownership of the Recreational Lagoon is awarded, in a form to be established latter, the lagoon will be managed by the Community of Users.
- To pay the IBI tax corresponding to the meters where the lagoon and its installations are, established according to the attached plan, with the community of Users the sole responsible party for this payment.
- For the modification of these Statutes and the rules of use or regulations for the use of the lagoon, the 'unanimous' vote or the favorable vote of all community members is required.
- Once the last property in the urbanization is sold by Sagamore Real Estate S.L. or the Entity that takes it's place or has been delegated its powers, and the community of Users of the Lagoon has been advised of this, the Community of Users will have to segregate, at it's own cost, risk and venture, even if the partial plan is modified, the plot of land

that the lagoon is on, to acquire the ownership of the lagoon and the terrain that it is on, according to the measurements and limits that are indicated in the attached plan and according to the contract for the delegation of rights that has been entered with Sagamore Real Estate S.L.. When this takes place, once the last property in the urbanization has been sold, they will have no further obligation or responsibility on the Lagoon or its installations, as these will correspond to the community of users.

To the effects established in these Statutes, we will understand that the last property has been sold when Sagamore Real Estate S.L. or the entity who takes their place so decides it, and the community is so informed.

B. OBLIGATIONS OF THE COMMUNITY MEMBERS / USERS.

- To respect and comply with these Statutes and the Rules for the use and operation of the lagoon and its installations, attached and approved in the Constitutional assembly.
- To contribute to the maintenance expenditure for the lagoon and its installations, according to their share and the approved budget that will contain at least what has been established in these Statutes and the contract for the delegation of rights for the use of the lagoon, that the Community and Sagamore have entered, and that is attached to the Community's constitutional assembly minutes.
- To respect the installations.
- To maintain and conserve the Lagoon and its installations, in such a way as to not result detrimental to the community or other users, compensating any damages caused due to careless mistakes by them or the persons who they respond for.
- In the title deeds, or any other document, for the transfer of ownership of the property, the owner will need to declare that he is up to date with the payment of the Community expenses, or, if necessary, state that he is in arrears, and in any case, the property responds to the debt of these fees, regardless of who the owner is at any time.
- To diligently look after the lagoon and their relationships with the other owners and respond to the infractions committed by whomever occupies their property with a right of use, without prejudice to any legal actions between them.
- To not install dog kennels, rubbish dumps, or any other unsightly elements, in the common areas.

C. COMMUNITY'S SPECIAL OBLIGATION.

As Sagamore Real Estate S.L., due to the special characteristics and technology used in the Recreational Lagoon, has a contract with Crystal Lagoons BV, with a duration of 20 years, by which Crystal Lagoons BV awards Sagamore Real Estate S.L. a nonexclusive license on the technology that allows the construction, operation, maintenance and maintenance control of the Recreational Lagoon, this License contract will always be complied with in the terms established, and with the Community of Users covering the established cost by including these into the ordinary budget for the duration of this contract.

If the community of users or its members become the owners of the Recreational Lagoon before the 20 years of the duration of this contract are reached, they will have

to take the place of Sagamore Real Estate S.L. in this contract with Crystal Lagoons BV, and, if this takes place after the 20 years duration of the contract, they will need to sign a new contract to continue using the technology provided by Crystal Lagoons BV.

SAGAMORE REAL ESTATE S.L.

INTERNAL RULES AND REGULATIONS FOR THE LAGOON AND ITS INSTALLATION – CUMPOSORY FOR THE USERS OF THE COMMUNITY OF USERS OF THE RECREATIONAL LAGOON OF ALCAZABA LAGOON.

1. APPLICABLE REGULATIONS.

These rules will be compulsory for all the users and members of the Recreational lagoon in Alcazaba Lagoon and the Community of Users of the same name.

2. RESPONSABILITIES.

- A) The community of Users of the Lagoon will not be responsible for any accidents that occur due to the use and navigation (sailing) of the lagoon, regardless of its origin or cause, even when the users have complied with the rules and recommendations contained in this document, as well as those that they are enlightened with during their stay.

3. THE SHIPS THAT CAN NAVIGATE THE LAGOON.

- B) The only ships that can navigate the lagoon will be single hulled and powered by sails or oars. It is expressly forbidden for ships or other artefacts with a motor/engine to navigate, apart from those specifically authorized by the Community of Users of the Lagoon.
- C) The maximum overall length will be less or the same as an 'optimist sailing ship' (2,3m). The height of the mast, measured from the waterline, will be a maximum of 2,0m without the burgee.
- D) The only ships allowed to sail in the lagoon will be those duly registered in the Special Registry that the Community of Users of the Lagoon will hold, that are owned by owners of dwellings in the complex or their direct families. The Community of Owners reserves the right to refuse the registration of those ships that, according to their exclusive judgment, may cause any damages or deterioration to the lagoon. The community of Users will also have the authority to authorize navigation for ships that belong to other clubs.

4. OR THE RUNNING OF THE LAGOON

- A) The Lagoon will be open for bathers and navigators, from 9:00am to when the sun sets on the horizon.

- B) The regulations for the use of the lagoon, both the opening hours, the access areas for bathers and water sport activity areas, are signposted around the perimeter of the lagoon.
- C) Bathing is only allowed in the pool areas located within the perimeter of the lagoon and duly separated, no bathing activities can take place outside these pools.
- D) The President of the community of Users of the Lagoon will be expressly authorized to forbid navigation in the lagoon in the following cases:
 - I. Due to security reasons for the users of the lagoon, that must be justified. In this case, the public prohibition must be published throughout the establishment.
 - II. When a regatta, festival or water exhibition takes place. This must have been previously notified by the Administration, with the Administration asking those who are not participation in the event to not bath for the duration of these activities.
 - III. When maintenance of the lagoon is taking place.
 - IV. In general, at any other time that the President of the community of Users of the Lagoon considers convenient.
- E) It is specially forbidden to throw any object into the lagoon water unless this is specifically allowed in these rules and regulations.
- F) It is specifically recorded that the Community of Users of the Lagoon or it's President are authorized to reduce the level of water or dry the lagoon out provisionally, due to maintenance needs or to carry out repairs, improvements and/or technical modifications that are necessary for its adequate operation, maintenance or improvements of its health and hygiene conditions, or for any other cause determined exclusively to justify this action.

5. HELMSMAN AND CREW OF SHIPS

- a) The Community of users of the Lagoon will appoint a supervisor for the lagoon who will ensure that the health and safety rules and all the rest of the regulations contained in this document are complied with.
- b) All persons who navigate in the artificial lagoon must be able to swim.
- c) The helmsmen and crew of ships will be responsible for the compliance of the recommendations regarding the use of the appropriate attire (warm clothes) for navigation, to as to avoid hypothermia.
- d) Every person who is navigating will need to use a lifejacket, on and done up correctly.
- e) All ships that are used in the lagoon will need to be duly registered and have their corresponding documentation in order according to the current legislation, and equipped to navigate, as they were conceived for their normal use, with all their accessories, elements and complements duly installed and fixed, with the ship correctly prepared for its use. The Community of Users of the Lagoon will not be responsible for the loss of any materials or accessorial elements to these ships.
- f) These ships must have, regardless of any other legal requirements, the following security elements:
 - A lifejacket per crew member.
 - One oar.

- One whistle.
- One small bucket to bail water out.
- One mooring rope.
- g) Helmsmen and crew must be able to restore the navigability of the ship so that it can reach the nearest shore.
- h) A License will be required to steer a ship at all times according to the current legislation. However, the Community of users of the Lagoon or its President, if they doubt the someone's capacity to govern a ship, will be authorized to carry out a practical exam to determine their capacity to govern the ship in the lagoon for security reasons.
- i) Minimum age to navigate:
 - 0-13 years only with an adult.
 - 13-18 years with parental authorization.
 - Over 18 year are fully able to navigate.
- j) Swimming is completely forbidden outside of the swimming pool designated exclusive areas.

6. USE OF PIERS AND MAINTENANCE OF SHIPS.

- a) The type and number of ships that can be moored to the pier at any time will be determined by the community of Owners of the Lagoon or its President, who will determine the criteria to be established to select how many ships can be moored.
- b) The Community of Users of the Lagoon reserves the right of exclusive use of 30% of the piers for maintenance ships, schooling ships, leases, nautical exhibitions and lifeguards.
- c) Whenever the owners ships are not in use, the ships must be removed from the lagoon and placed on land on special trailers or chocks in the area designated by the Administration.
- d) The mobile elements in these ships such as sails, sheets, rudders, daggers, ironworks, lifejackets, oars, bailer buckets, and any other accessory will be looked after by the owner at their private property, the Community of Owners of the Lagoon will not be made responsible for any damages or losses.
Additionally, it is recommended that all ships are always covered by plastic or canvas tents when they are not in use for their adequate conservation.
- e) Those proprietors of ships who want to navigate, will assemble their boats and enter them in the water at the designated locations, they are able to moor their ships at the piers that are closest to their property if space is available.
The helmsman or captain will be responsible for duly mooring the ship so that is does not float away.

In Casares on the 14th of January 2.016.