

## ANNEX 1

# ADMINISTRATION REGULATION BOM SUCESSO – LAGOA GOLF TOURIST VILLAGE

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## INTRODUCTION

1. This regulation shall establish the rules regarding the Administration of the BOM SUCESSO - Lagoa Golf Tourist Village, especially with regard to the maintenance and enjoyment of the common facilities and equipment, as well as in as far as the operation, enjoyment and conservation of tourist and common equipment, facilities and services.
2. It also serves to define criteria for the distribution of common expenses, and to govern the relationship between the different proprietors, and between these, the Administration and the Operator.
3. With regard to the constitution of common ownership property and more specifically the respective Administration Regulation, the administrative structure of the common parts of the resort shall be formed by the following decision-taking bodies:
  - a) Proprietors Meeting
  - b) The Administration.
4. This regulation integrates the principles of applicable law and those that experience teaches us are indispensable to prevent such uncertainties as regularly occur in common ownership relationships.
5. In order to ensure its validity and efficacy, it is hereby established that the conveyance and/or acquisition of property or residential units, at any title, in the BOM SUCESSO - Lagoa Golf Tourist Village necessarily implies the full and unconditional acceptance by all proprietors of the following rules, or the penalties and fines provided in the rules of conduct, or others that are approved by the relevant authorities, shall be applied.

## CHAPTER I - CONCEPTS

### **Article 1** **(Terms and Definitions)**

For the purposes of this Regulation:

1. Tourist Village refers to the resort as approved by Óbidos Town Hall following favourable opinion issued by the Directorate-General of Tourism.

2. The Developer is the entity in whose name the tourist resort project is approved.
3. The Operator is the entity which will execute the tourist and commercial operation of the resort, and may be the developer or any entity to whom the right to operate has been assigned.
4. The Administration is the entity with authority to conduct the daily management of the resort, in order to maintain its assets and develop its potential, a task which, as provided by law, is to be performed by the Operator.
5. The Proprietors are natural or legal persons, holding property rights over the commercial or residential property units, and the tourism facilities and equipment that make up the Resort.
6. The property units are those parts of the Tourist Resort which constitute distinct, independent, and duly defined units, and may be single-family residential units or tourist facilities and equipment.
7. The periodic payment is the amount to be paid by each proprietor, defined annually by the resort's administrative entities, regarding costs with maintenance, operation and tax regarding the facilities, equipment and services of common use in the Tourist Village.
8. A residential unit is a villa or townhouse, which, besides forming independent units, are distinct and separated from the others, with its own individual entrance from the exterior or from a common area in the Resort.
9. Common facilities and equipment and utility services for common use are all those which, while not classified as public services, are made available to the clients and proprietors of the residential units and other property units within the Tourist Village, and regarding the use of which no separate payment is charged:
  - a) reception / porter's lodge
  - b) gardens and lawns
  - c) pathways network and internal passageways
  - d) swimming pools
  - e) kid's playground
  - f) common washrooms
  - g) parking lots
  - h) staff facilities
  - i) roads, accesses and public spaces
  - j) fire prevention and firefighting systems

- k) drinking water reservoirs
- l) fuel reservoirs
- m) internal communications network
- n) internal water supply network (household and irrigation)
- o) internal gas and electricity supply networks
- p) internal sanitation system
- q) signage, directions and information
- r) garbage storage system
- s) solid urban waste collection system
- t) surveillance and security network
- u) maintenance and cleaning services for common facilities and equipment
- v) collection and treatment of household effluents and rainwater
- w) internal substations and electricity supply network
- x) sewage treatment and pumping stations
- y) irrigation system

10. Tourist facilities, equipment and services are all those which are made available by the Operator to the clients and proprietors of the Resort on payment of a fee.

11. Urban infrastructures are all those necessary for the urbanization of the property.

## CHAPTER II - OBJECT

### Article 2

#### (Scope)

1. This regulation establishes the rules regarding the Administration of the resort, particularly in relation to the maintenance, utilization and operation of the facilities, equipment and services for tourism and for common use, as well as the criteria for sharing the respective costs.
2. This regulation is an integral part of the resort's Title Deed.

### Article 3

#### (Private property and common property)

1. The property units which constitute residential units, as well as those property units which contain tourist facilities and equipment referred to in article 1 of this Regulation, are private property.
2. The common facilities and equipment are common property.

## CHAPTER III – ADMINISTRATION OF COMMON AREAS

### **Article 4 (Administrative Entities)**

The administration of matters relative to common property in the BOM SUCESSO - Lagoa Golf Tourist Village is the responsibility of the following entities:

- a) The Proprietors General Meeting.
- b) The Administration.

### **SECTION I. REGARDING THE PROPRIETORS MEETING**

### **Article 5 (Composition)**

The General Meeting of Proprietors is composed by the proprietors of the property units which constitute the BOM SUCESSO - Lagoa Golf Tourist Village.

### **Article 6 (Duties)**

The General Meeting of Proprietors of the BOM SUCESSO - Lagoa Golf Tourist Village shall pass resolutions on matters regarding common facilities and equipment and utility services of common use which make up the Resort, namely with regard to:

- a) The annual report and budget for common facilities and equipment and tourist utility services in the Resort;
- b) The dismissal and substitution of the Resort's Administration, as provided by article 12 of this Regulation;
- c) Changes regarding the purposes of the Resort's facilities and common equipment, without prejudice to the legal requirements defined for this type and category of resort;
- d) The approval and renewal of insurance policies covering the Resort's common facilities and equipment, the value covered and the terms and conditions of the policy;

- e) The determination, written in the minutes, of the amounts to be paid to the general condominium, which will serve as sufficient title, as provided by law, for the Administration to enforce payment judicially;
- f) Infrastructure work on the Resort's common facilities and equipment;
- g) How much to contribute to and the use of the common reserve fund;
- h) The election of the Chairperson and the Secretary of the Meeting;
- i) Approval of the accountancy audit and the performance of the Administration, following proposal by the proprietors representing at least 25% of the Resort's total permillage;
- j) Naming the Chartered Accountant on proposal by the Administration;
- k) Establishing of the value of fines and penalties to be paid as a result of the nonobservance of this Regulation and the decisions taken by the Proprietor Meetings, to be applied by the Administration.
- l) Any matters of general interest to the Resort.

**Article 7**  
**(Convocation)**

1. The Proprietors Meeting shall assemble once a year after being called by the Chairperson, and on proposal by the Administration, in order to approve the annual report regarding the previous year and the budget for the following year.
2. An Extraordinary Proprietors Meeting may also be called by the Administration, on its own initiative or through the request of proprietors representing at least 25% of the votes that correspond to the total value of the Resort.
3. In the event that the Administration does not call the Proprietors Meeting within fifteen days counted from the date that the request is submitted as provided above, the proprietors may call the Meeting themselves.
4. The convocation notice for the ordinary Proprietors Meeting, according to number 1 above, should be sent by registered mail, or delivered personally to the proprietors, with at least 30 days notice, according to protocol, although the extraordinary meetings, in accordance with number 2 above, may assemble with at least ten days notice.
5. The convocation notice shall indicate the date, the time and the place and the agenda for the Meeting, specifying which matters require unanimous decision or a qualified majority.
6. At the start of every meeting all the proprietors present or their representatives should sign the participant list, clearly indicating the permillage of their respective unit.

**Article 8**  
**(Operation)**

1. The Proprietors Meeting shall meet by the 31<sup>st</sup> March, in order to discuss and approve the annual report regarding the previous year and in order to approve the provisional budget for the next year.
2. The first ordinary Proprietors Meeting shall elect from among the proprietors the Chairperson and Secretary. They shall be elected to office for a four-year term, automatically renewable unless revoked by the Meeting or if they resign at the end of the term, and shall be responsible for writing up the minutes and presiding over the meetings..
3. The minutes of the General Meeting of Proprietors shall be drawn up and signed by their President and Secretary as well as the proprietors present.
4. The Meeting shall be presided over by the President in office and shall follow the order specified in the agenda.
5. Resolutions are passed by a simple majority of votes, except for resolutions regarding:
  - a) innovations, in which case a majority of two-thirds of the total value of the resort is required;
  - b) alterations to the Title Deed (including this Regulation, an integral part thereof), in which case a majority of half of the total value of the resort is required;
  - c) dismissal of the Administration, in which case a majority of half of the total value of the resort is required;
6. For the purpose of the decisions, the total permillage attributed to all the property units shall correspond to the total number of votes, thus representing the entire value of the Resort, whereby each vote corresponds to the permillage of each property unit.
7. If the number of proprietors present is not enough to constitute quorum and the convocation notice does not state an alternative date for the meeting, a new meeting is considered called one hour later, at the same time and place, in which case the Meeting may decide, by majority of votes of the proprietors present, as long as these represent at least one quarter of the total number of votes.
8. The decisions which, according to the law, require unanimous approval may be approved by the unanimous vote of the proprietors present at the Meeting as long as these represent at least two thirds of the total permillage of the Resort, on the condition of subsequent approval by those absent, as provided under the following numbers.
9. In the event that there are not enough proprietors present to obtain the necessary quorum, as provided in the above numbers, the Administration may request arbitration, in view of the inability to obtain the quorum, to take decisions regarding the matters contained in the agenda.
10. The decisions must be communicated to all proprietors of the resort in writing, without prejudice to that provided in the following number.
11. The decisions shall be communicated to the proprietors who were absent by registered mail with acknowledgement of receipt, within thirty days.
12. The proprietors have ninety days following the reception of the letter referred to in the previous number to communicate, in writing, their agreement or their disagreement.

13. The silence of the proprietors shall be deemed implicit agreement of the decision communicated in the terms of number 10 of this article.
14. The deliberations of the Meeting shall be binding both for proprietors and 3<sup>rd</sup> parties with rights over the property units.

**Article 9**  
**(Representation)**

1. The resolutions are passed personally and directly by the proprietors at the Proprietors Meeting.
2. At the Proprietors Meeting, each proprietor shall be entitled to vote according to the defined permillage of their residential unit.
3. Each proprietor may appoint a proxy to represent them at a determined Meeting, by means of a written proxy containing their legally recognized signature.
4. The proprietors may also pass general powers of attorney to members of the Administration or to the Operator to represent them at the Proprietor Meetings.
5. If the proprietor is a legal person, they should inform the Administration, in writing, as to who their lawful representative is.

**Article 10**  
**(Annulment of Resolutions)**

1. The resolutions by the General Meeting that are contrary to the law or the Regulation may be annulled according to the law and through petition claim to the arbitration panel by any proprietor who did not approve them.
2. The right to submit a claim shall expire, for the proprietors who were present, sixty days after the resolution was passed and, for the proprietors who were absent, sixty days after they were notified regarding the resolution.

**SECTION II. REGARDING THE ADMINISTRATION**

**Article 11**  
**(Authority)**

The duties of the Administration, besides any others assigned by the Meetings, are to:

- a) To perform all actions related to the implementation, administration and coordination of common facilities, equipments and utility services, for example engaging third parties to provide common services according to the decision taken by the Proprietor Meeting;
- b) Elaborate the respective annual report of expenses and revenue regarding the maintenance and use of all the common facilities and equipments, as well as the expenses related to running the Resort's common services;
- c) Submit the budgets and annual reports regarding the proprietors common expenses to discussion and vote in the Proprietors Meetings;
- d) Call the Proprietor Meetings;
- e) Submit an agenda with essential items, as well as items proposed by the proprietors or others which the Administration considers should be included, provided the discussion of such matters is approved by the majority of the proprietors present;
- f) Take out and renew the insurance policy covering common areas against fire hazard and civil liability;
- g) Perform ordinary and extraordinary maintenance, cleaning and conservation work in common areas, even if these have not been budgeted, whenever it considers these necessary for the safety and to guarantee the quality of the Resort;
- h) Provide for the observance of the rules stipulated in this regulation in order to assure the normal operation and the overall quality of BOM SUCESSO - Lagoa Golf Tourist Village;
- i) d) Carry out precautionary and preventive acts protecting rights over common general assets and of the respective facilities and equipment;
- j) e) Administrate the use of common facilities and equipment and provide general services for common areas;
- k) Confirm annually that property units are insured;
- l) Represent the proprietors when contracting employees or service providers concerning services required for the proper operation of the resort;
- m) As well as the powers and the duties given by law and by this Regulation, the Administration shall exercise disciplinary power over the staff and supervise and coordinate their work, always taking into account the legal dispositions and the interests of the proprietors;
- n) Keep and maintain all documents regarding the resort, as well as keeping the books up to date;
- o) Collect revenues and pay general expenses approved by the Proprietors Meetings;
- p) Require from the proprietors the payment of their share of the approved expenses;
- q) Perform the maintenance of common assets;
- r) Execute the resolutions of the Proprietor Meetings;
- s) Inform absent proprietors with regard to the resolutions passed by the Proprietors Meetings;

- t) Apply the penalties provided in this Regulation and other regulations in force at the resort;
- u) Propose any alterations to, suspension or substitution of the Regulations in force to the Proprietor Meetings;
- v) Make such recommendations as it feels appropriate to the Resort's tourist purposes;
- w) Act on behalf of the proprietors in general before the public authorities.
- x) Commence judicial proceedings or collection in order to collect the payments owed by proprietors, thirty days after the deadline for payment, as well as the respective interest and any applicable fines, in addition to any eventual judicial and extrajudicial costs and expenses, including lawyer fees;
- y) Keep an up-to-date register of each proprietor, as well as the holders of other property rights, tenants or other people with the right to use the buildings or units;
- z) Provide all relevant information to proprietors and make all relevant documents regarding the property unit available for consultation;
- aa) Affix information regarding the identification of the members of the Administration in office, or of those provisionally performing such tasks, at a public place easily accessible to all proprietors.
- bb) Define the terms and conditions of the Resort's security service.
- cc) Report to the Proprietor Meetings;
- dd) Guarantee the observance of the Regulation and the legal and administrative provisions regarding the resort.

## **Article 12**

### **(Appointment, Remuneration and Removal from office)**

1. The Operator shall be responsible for the administration, for an unlimited term, except for that provided in number 3.
2. The Administration is performed by a corporate entity, which shall appoint one or more persons to represent it.
3. The remuneration for the performance of the duty referred to in the previous number, regarding the payment of members of the Administration and also the Chairperson and the Secretary of the Proprietors Meeting, but not including the remuneration of any of the resort's staff, namely Administration employees, shall correspond to 12% of the total budgeted expenditure.
4. The Meeting may dismiss the Operator from its duties as administrator of the resort, as long as this decision is taken with a number of votes corresponding to majority of the resort's total value and a new Administrator is appointed at the same occasion for immediate replacement of the former Administrator.
5. The Administrator appointed according to the previous number must provide a bond for faithful performance of duty in the Operator's favour, in order to guarantee the maintenance and

utilization of the common facilities and equipment, as well as the operation of the utility services for common use, in such manner that the Operator can continue to perform its tourism-related activities in the Resort and that the Resort fulfills the conditions necessary to maintain its status.

6. The value of the abovementioned security bond shall equal the annual value of expenses with maintenance, utilization and operation of the common facilities, equipment and services, as budgeted for that year.
7. The Administration may also be removed from office by court order, on application by any proprietor, if it is proven that its members have committed irregularities or acted with gross negligence in the performance of their duties.

**Article 13**  
**(Legitimacy)**

1. The Administration is entitled to act in court, whether against any proprietor or against third parties, in the performance of its duties and responsibilities, or when authorized to do so by the Proprietor Meetings.
2. The Administration also has standing to sue and be sued in actions regarding all of the resort's common facilities and equipment.

**Article 14**  
**(Appealing acts by the administration)**

Appeals regarding acts by the Administration shall be submitted to the Proprietors Meeting, without prejudice to the means provided by law.

**Article 15**  
**(Budget and annual report)**

1. The Administration shall submit a budget every year to the Proprietor Meetings for the expenses regarding the Administration, maintenance, use and operation of all the common infrastructures, facilities, equipment and utility services of the resort, elaborated in accordance with the forecast for the following year.
2. The budget must itemize all expenses regarding:
  - a) General costs;
  - b) Common facilities, equipments and services;
  - c) The Administration's remuneration;
  - d) The payment to be made by each property unit, according to their respective relative value.

3. The budget shall be sent to the proprietors until the 15<sup>th</sup> December of the previous year.
4. Annual reports regarding the previous year shall be submitted to the Proprietor Meetings during the first three months of the year, together with an audit by the chartered accountant appointed for this purpose by the Proprietors meetings, on proposal by the Administration.
5. A summary of the report and budget and the abovementioned audit shall be sent together with the convocation notice regarding the Proprietor Meeting for the approval of the annual report and the budget.
6. Until the budget for the current year is approved, expenditure shall be on a monthly basis.
7. In the event of superavit, the surplus will be carried forward to the next year, if negative, this deficit will be borne by the proprietors.

## **CHAPTER IV – RIGHTS AND DUTIES OF PROPRIETORS**

### **Article 16**

#### **(Rights of the Proprietors)**

1. Each proprietor holds exclusive property rights over his unit and is at the same time co-proprietor of the Resort's common facilities and equipments as defined in article 1, nr.10 hereof.
2. Proprietors are entitled to:
  - a) Use all of the Tourist Village's common facilities, equipments and services, free of charge;
  - b) Use all tourist facilities, equipments and services, provided they pay the listed prices;
  - c) Participate directly and vote – an unalienable right – in every decision regarding the common facilities and equipments of the Tourist Village in which they possess a property unit, at the Proprietors Meeting and according to the voting rules defined in the resort's Title Deed.
  - d) To elect and be elected at the Proprietor Meetings;
  - e) To appoint a proxy to represent them at the Proprietor Meetings.
  - f) To obtain from the Administration all the relevant clarifications regarding their respective property unit.
3. Proof of the mandate according to paragraph e) may be made by means of a letter with a legally recognized signature, addressed to the Chairperson, in which the proprietor indicates his appointed proxy

### **Article 17**

#### **(Duties of the Proprietors)**

The proprietors of any property unit, whether or not assigned for tourism, shall:

- a) Maintain the external structure or its external image, so that it stays in harmony with the building it integrates and with the Tourist Village, namely not changing the colour of the property unit nor changing the garden defined for that residential unit;
- b) Use the unit for its planned purpose or the purpose to which the proprietor is bound, except in case of legally admissible changes, duly authorized by the relevant authorities, and together with the express written authorization by the Administration;
- c) Promptly pay their share of the expenses regarding normal costs or any other costs which are approved by the Meeting;
- d) Not exceed the planned capacity of the residential unit, without prejudice to the applicability of the normal rules for tourist/hotel activity;
- e) Not use the residential unit for any economic purpose or activity (tourism or other), especially any activity similar to that performed by the Operator;
- f) Carry out the maintenance of their residential unit;
- g) Not perform works or any acts susceptible of affecting the aesthetic and/or urban and/or scenic character of the Tourist Village, or which may hinder the creation of the respective accesses, or which violate this regulation in any way;
- h) Perform all necessary maintenance work in order to avoid eventual losses or damage to any other proprietor or to the Operator, or be liable for all damage and losses resulting from the unjustified delay or defective performance of the maintenance work;
- i) Inform the Administration, in writing and within ninety days, regarding the fact that they have become proprietors, their address or that of their representative, or else a fine is applicable;
- j) Inform the Administration regarding the conveyance, assignment, rental, alteration or encumbrance of their property unit, before this fact takes place, or a fine is applicable;
- k) Inform those with rights regarding their property unit as to the resolutions passed by the Proprietor Meeting;
- l) Not install any object, equipment or device which may be seen from outside, including awnings and clothes racks, or any outdoor or garden furniture, without prior written consent from the Administration.
- m) The property rights mentioned above in number 1 are not alienable separately, nor may a proprietor renounce the right to property or the right to use common areas in the resort as a means of avoiding paying the expenses required for their upkeep and use.
- n) Notwithstanding the Administration's immediate intervention, the proprietor shall be liable for any damage to private or common areas of the Resort which result, directly or indirectly, from their activity, or which are attributable to them personally, to their family, visitors, and employees or suppliers – for the latter two when they are at the proprietor's service or performing related activities, or also to any person to whom they assigned, in any way, the right to use their building or unit.

**Article 18**  
**(Rights of preference and division)**

No proprietor holds rights of preference regarding the sale or transmission of any building or unit, nor are they entitled to request the division of common areas.

**Article 19**  
**(Proprietor expenses)**

1. Proprietors are exclusively responsible for all expenses relative to their respective property units.
2. Proprietors shall be charged according to their property units' relative value, calculated according to the permillage established in the resort's Title Deed, for costs regarding maintenance and operation of the common facilities, equipment and utility services, as well as for extraordinary expenses contained in the approved budget.
3. Each proprietor's share of the expenses shall be paid in four quarterly installments of equal value, before the 15<sup>th</sup> day of the first month of each quarter.
4. The share of the extraordinary expenses shall be paid until thirty days following notice from the Administration.
5. After the expiry of deadline defined above, the amount due accrues interest at the rate provided by article 559 of the Portuguese Civil Code plus five percent per annum, as penalty.
6. The Administration shall affix, at a visible place, a list of the proprietors at fault and their respective outstanding debts.

**Article 20**  
**(Expenses with Tourism)**

1. The Operator shall be exclusively responsible for operating the property units for tourism, and may subcontract any services to other entities.
2. The Operator shall be responsible for all maintenance and operating costs regarding tourist facilities, equipments and services.

**Article 21**  
**(Reserve Funds)**

1. The resort shall be endowed with a common Reserve Fund in order to cover expenses for the maintenance of its own common facilities, equipment and utility services.
2. The reserve fund shall be constituted by the periodic payments, whereby at least 10% of their value shall be deposited therein.

3. The reserve Fund shall be deposited at a banking institution in a separate account created exclusively for this purpose.
4. The use and the increase of the reserve fund is determined by the Proprietor Meeting in accordance with its authority, following proposal by the Administration.

**Article 22**  
**(Common property Revenue)**

The sources of common property revenue are:

- a) Payments made by the proprietors.
- b) Other income of any nature.

**Article 23**  
**(Innovations)**

1. New constructions, or any changes to the existing constructions which may be considered innovations, must not compromise the Resort's image and urban identity or its purpose, and shall be subject to approval by a two thirds majority of the total value of the Resort, as well as by the relevant public authorities, whenever applicable.
2. Minor works which do not change the structure of the existing constructions shall be subject to approval by a simple majority of the total value of the Resort, without prejudice to the required public licenses or permits according to the law.

**Article 24**  
**(Expenses with innovations)**

1. All expenses with innovations in the property units with a single proprietor shall be borne by that proprietor.
2. Expenses with innovations in the Resort's common tourist facilities, equipment and services will be borne by all the proprietors.

**Article 25**  
**(Urgent and indispensable repairs to common facilities, equipment and utility services)**

1. All urgent and indispensable repairs to the resort's common facilities, equipments and utility services may be carried out on initiative by any proprietor, if the Administration is unable or fails to do so.
2. If, however, any proprietor has to perform urgent and indispensable repairs on common tourist facilities, equipments and services, and cannot inform the Administration beforehand, that

proprietor must inform the Administration as soon as possible, so that the expenses incurred by the proprietor, and duly demonstrated, may be reimbursed.

3. If a proprietor performs such repairs without observing the requirements provided above, the expenses resulting thereof shall be of their exclusive responsibility, notwithstanding the requirement to compensate the other proprietors and the Administration.

#### **Article 26**

##### **(Urgent and indispensable repairs to property units)**

1. Each proprietor is responsible for carrying out all urgent and indispensable repairs to their unit, in order to ensure the stability and safety of the constructions, therefore preventing eventual damage and losses and, in general, guaranteeing the quality and the classification of the Tourist Village; whereby the proprietor shall be held liable for losses resulting from an unjustified delay in undertaking repairs.
2. If the proprietor does not carry out the necessary repairs for which he is responsible under the terms of the previous number in reasonable time, the Administration may proceed to perform such work, after notice to the unit's proprietor, whereby the proprietor shall be liable for all such expenses, notwithstanding the right to submit the matter to the appropriate administrative and judicial authorities.

#### **Article 27**

##### **(Construction work in property units)**

1. Any works in the interior or exterior of each property unit require prior written authorization from the Administration and also the express permission of the author of the architectural project in question.
2. The proprietor who desires to carry out work on their building or unit shall send to the Administration, together with the request for authorization, with at least seven days notice, a project or similar, specifying the works to perform as well as the period in which this is to take place, namely the starting and finishing dates.
3. Besides the obligation described in the previous number, the proprietor must have fulfilled all obligations and not be in breach of any provisions of the regulation or the contract in order to receive the Administration's consent.
4. The Administration shall give its consent once all the requirements are met, within five days of receiving the referred project or similar, except when, due to its complexity, the project should be assessed by specialized technicians, who shall give their opinion within a maximum of ten working days.

5. On granting authorization for such works, the Administration shall establish the general conditions which should be observed.
6. The works performed without the prior consent of the Administration, unless urgent or indispensable, or which contravene the limits stipulated, shall result in the civil liability of the proprietor, as well as the application of a fine.
7. Without prejudice to that provided in the previous number, the Administration, if justified, may file a temporary injunction or order the destruction of unauthorized works and the restoration of the place to its previous state, with the resulting expenses borne exclusively by the proprietor at fault.
8. Preferably, the works are to be carried out during the hours which least affect the normal operation of the Resort, respecting the hours of silence and the tranquility of other users and clients. No such works shall be permitted during the months of June, July, August and September, except those which, due to their urgent nature, cannot be postponed.
9. The proprietors are responsible for any damage caused as a consequence of the construction works.
10. The proprietors are responsible for maintaining, under perfect conditions, the cleanliness and conservation of common areas through which they must pass due to the works, construction materials and other such matters.
11. Tools, machinery, materials, equipment and the disposal of rubble, under the terms and at the locations defined by the Administration, are the exclusive responsibility of the applicant proprietor.

#### **Article 28**

##### **(Regulation regarding Procedures for Approval of Projects, Construction Licensing and Works)**

Without prejudice to the rules regarding the performance and authorization of works contained in this Regulation, and also in Law-Decree nr. 167/97, dated 4<sup>th</sup> July and altered by Law-Decree nr. 55/2002, dated 11<sup>th</sup> March, and its respective regulations, all proprietors must respect and observe the Regulation regarding Procedures for the Approval of Projects, Construction Licensing and Works, approved by the Land Allotment License nr. 361 issued by Óbidos Town Hall, which is attached hereto and is an integral part hereof.

#### **Article 29**

##### **(Combining and dividing Residential Units)**

1. The authorization of the remaining co-proprietors is not required for the junction, into a single unit, of two or more units in the same lot, as long as these are contiguous and belong to the same proprietor and such works do not affect the structure of the building or the common areas, although such alteration always depends on prior authorization by the Administration and the relevant public authorities.

2. The division of units into new autonomous units is not permitted, unless authorized by the Proprietor Meeting by unanimous decision, with the consent of the Administration and the public authorities in charge of licensing.

**Article 30**  
**(Obligatory insurance)**

1. The residential units shall be insured against fire hazards, which shall be paid by the respective proprietors. The proprietors may insure the residential unit against any other hazards they consider advisable, taking into account the tourist nature of the Resort.
2. For residential units assigned to tourism, the Operator may determine that additional coverage is required.
3. Each proprietor shall deliver a copy of the insurance policy to the Administration. The insurance policy shall provide for the duty to inform the Administration of the Tourist Village regarding any alterations to the insurance policy.
4. If insurance has not been taken out, the Administration shall notify the proprietor of the need to do so within a maximum of fifteen days. If this deadline is not observed, the proprietor may be fined.
5. The Meeting shall decide whether to take out insurance against fire hazard and civil liability providing cover for acts by the resort's employees and workers, and general cover for the common and tourist facilities and equipment. All the proprietors shall be responsible for its payment.

## **CHAPTER V – GENERAL PROVISIONS**

**Article 31**  
**(Binding effect)**

1. The provisions of this Regulation shall be obligatory for all current and future proprietors, who shall expressly declare all the rights and duties herein in the event of the conveyance, assignment, rental, alteration or encumbrances of the property units.
2. This Regulation should always be attached to the legal instruments pertaining to these acts, for which purpose the proprietor shall request a copy of this Regulation from the Administration, otherwise the act shall be invalid.
3. In the event of the assignment to third parties of the right to inhabit or use the property unit, they shall be held jointly and severally liable together with the proprietor with regard to the nonobservance of any provision contained in this Regulation or other document to which they are bound, as well as with regard to any decision taken by the Administration.

4. Any alterations to the present regulation must be approved by a simple majority of the total number of votes in terms of permillage.

**Article 32.**

**(Penalties and Fines)**

1. When the Administration is unable to ensure voluntary compliance with that provided by this regulation or the resolutions passed by the Proprietors Meetings, or its own decisions regarding matters within the scope of its powers, the person responsible may fined, in accordance with the Meeting's decision.
2. The value of these fines shall be paid into the common reserve fund.

**Article 33**

**(Communications)**

All communications and notices to the proprietors by the Administration shall be sent to the respective address, defined in the I.D. register, and these shall be deemed to have been received five days after the postage date, or three days counted from the date the letter was registered, if sent by registered mail.

**Article 34**

**(Severability)**

Any article in this regulation that is void or voidable shall not in any way affect the other articles, which shall remain in force.

**Article 35**

**(Subsidiary Law)**

1. Any matters which are not provided for in this regulation or in the resort's Title Deed shall be regulated by the Law regarding Tourist Resorts and its respective Regulations.
2. Any matters which are still not provided for shall be regulated by the Rules regarding sectional title, adapted according to the nature of the Resort and tourist operation.

**Article 36**  
**(Arbitration)**

All disputes arising from this Regulation, its interpretation, performance and breach, as well as any omissions, shall be submitted to arbitration, in accordance with the arbitration regulation included in the resort's Title Deed.