

THE SAVANNAHS
Promissory Contract
Annex IV – Preliminary Drafts of the
Condominium Rules and General Condominium Rules
(English Version)

PROTOTYPE OF THE CONDOMINIUM REGULATIONS

Art. 1
Object

- 1.1 These rules refer to the use and administration of the areas owned in common by the Condominium owners (common areas) and also to the private areas in so far as they may affect the use and enjoyment of the common areas and are applied to all owners and users of the private areas and the common areas integrated in the Condominium.
- 1.2. Without prejudice to the obligation to respect the prototype of the Condominium Regulations in the terms laid down by the Loteamento Regulations into which the Condominium is inserted, the rules of the Condominium may be altered by a favourable vote of 2/3 of the owners.
- 1.3. The alteration of the rules of the Condominium foreseen in the prototype of the Condominium Regulations may be altered by a 2/3 favourable vote of the whole Loteamento and, at least, a simple majority of each Condominium, and such alteration is decided collectively as far as is applicable, with respect to all the Regulations of the Condominium within the Loteamento.

Art. 2
Identification of the Condominium

- 2.1. The Condominium is constituted covering the total area of Plot XXX in the Parish of Almancil, County of Loulé, registered in the Land Registry Office under No. XXX of Almancil and adopts the name of “Condominium YYY” for short “YYY”.
- 2.2. The private areas of YYY correspond to the properties owned privately within XXX.
- 2.3. The common areas of YYY are defined in the title of constitution of the Condominium and in general include the ground, the structure, the roofs and roof terraces in every building and all the external areas of the buildings, accesses, parking, gardens, pools and all buildings in these areas.
- 2.4. Due to the relevance for the Condominium and for the Loteamento as a whole, all external areas of the buildings and the accesses from the exterior of the same, including external walls, windows, doors, verandas, terraces, pergolas, sunshades, etc., must be treated as common areas as far as is applicable for the effects of maintenance, conservation, reparation or alteration, without prejudice to the rights of the owner and the exclusive use by owners of the respective private properties; such areas are in future designed as areas “treated as common areas”.

Art. 3
Expenses with Common Areas

- 3.1. The expenses of the common areas of Condominium and of the Loteamento will be divided in the proportion of the percentage attributed to each private property, which is set out according to the proportion of the respective construction area in the total construction area of the Condominium.

THE SAVANNAHS
Promissory Contract
Annex IV – Preliminary Drafts of the
Condominium Rules and General Condominium Rules
(English Version)

- 3.2. Payments due to the Condominium will be calculated from the annual estimates, and interest will be due on late payments at the rate applicable for private debts in accordance with the Portuguese Civil Code, added of 5 percentage points.
- 3.3. Expenses incurred within the common areas or the areas treated as common areas caused by owners of a private property or the authorised user of the private property are the responsibility of the owner of that private property.

Art. 4
Costs with Common Insurance and Other Common Costs

- 4.1. The insurance of each building and common areas will be made by the Administrator of the Condominium and will include insurance against fire, earthquake, atmospheric conditions and vandalism, third party and public liability as well as any other adequate risks as felt necessary by the administrator of the Condominium.
- 4.2. The value of the contributions due by each of the owners for the common costs of the Loteamento will be paid by the Condominium and will form an integral part of the annual costs of the Condominium.

Art. 5
Reserve Fund

- 5.1. A special account will be opened to maintain a reserve fund separated from other annual costs.
- 5.2. The contributions for the reserve fund will be approved by the owners annually and will correspond to at least 10% of the other estimated annual costs.
- 5.3. Provided the obligatory insurance is maintained, the reserve fund will be limited to 25% of the established value of the property used for the insurance.
- 5.4. Any unspent funds arising from the annual costs will be added to the reserve fund until this reaches the value defined in the previous item.
- 5.5. Taking into account the cover of the risks resulting from the obligatory insurance, and whilst cover is maintained, the amounts which constitute the reserve fund may be used to cover conservation or reparation expenses of a perennial nature, namely the costs of periodic painting, which is obligatory for the buildings.
- 5.6. That which exceeds the value stipulated in No. 3 of this article in the reserve fund, may be used for ordinary maintenance when this is foreseen in the budget or approved in the Assembly of Condominiums and also justified in a prior written decision of the Administrator to pay:-
 - a) Any repairs or costs of maintenance that were not foreseen and were not object of prior budget;
 - c) Any budgetary difficulty caused by overdue payments by the Owners of the Condominium.
- 5.7. The amounts existing in the reserve fund may be used to face any budgetary difficulty caused by overdue payments by the Owners of the Condominium even outside the limits of the previous paragraph (5.6) but they will need to be refunded within one year of being drawn out of the fund.

Art. 6

THE SAVANNAHS
Promissory Contract
Annex IV – Preliminary Drafts of the
Condominium Rules and General Condominium Rules
(English Version)

Responsibility for Works

- 6.1. All works necessary or approved will be carried out in the common areas as well as areas treated as common areas under the supervision of the Administrator of the Loteamento. Nevertheless, if the works are destined to take place in an area treated as common areas, together with work in private areas, they may be carried out by order of the owner of the respective private property, under the supervision of the Administrator of the Condominium.
- 6.2. Each of the property owners of the Condominium must maintain and repair the areas owned privately by them at their own cost as far as necessary to safeguard the quality and use of the other private areas, of the common areas, and of the areas treated as common areas.

Art. 7

Use of Private Properties and Common Areas

- 7.1. Alterations may not be carried out to common areas or areas treated as common areas without express authorization of the Administrator of the loteamento, which authorization will only be conceded after consulting with the remaining property owners, except if the works are already covered by a generic approval.
- 7.2. Private Properties and areas treated as common areas may only be used for habitation or the purpose for which they have been licensed in accordance with the respective utilization license.
- 7.3. Undue noise will not be permitted between 10pm and 10am nor during any other period if such causes nuisance or perturbation to the other private properties, except in case of emergency and advising the Administration of the Condominium whenever possible.
- 7.4. It is not permitted to emit smoke, smells, gases or similar, with the exception of normal smoke from fireplaces, kitchen extractors, and grills on the terrace.
- 7.5. The storage of explosive or inflammable substance is not permitted in quantities greater than necessary for normal use within the individual private properties.
- 7.6. It is forbidden to discharge dust or liquids, including water or deposit any objects of any kind in the common areas or outside the areas provided for this effect
- 7.7. Drying of clothes, fabrics, accessories or other elements of furnishing, except in the permitted areas specifically intended for such purpose or others designated by the administrator.
- 7.8. Aerials, solar panels, sunshades or other elements are not permitted on the exterior of the private properties, except when approved by 2/3 of the property owners of the Loteamento in which the Condominium is inserted, and with a view to incorporating any change in all and each private property or in accordance with the decision approving the same.
- 7.9. Signs and publicity are not permitted on the external surfaces of the private properties except with the express approval of the administrator.
- 7.10. It is not permitted to leave furniture, rubbish or construction materials in common areas and in the areas treated as common areas, except when stored in the areas specifically provided for this effect.
- 7.11. The only pets allowed are dogs, cats, fish and birds, taking into account the environment in which they are kept. It is not allowed to have an excessive number of animals, nor large or dangerous animals; the presence of any pets in a private property or in the loteamento is subject to permission of the permission of the administrator which can be revoked in case of distress caused by or because of the pet.

THE SAVANNAHS
Promissory Contract
Annex IV – Preliminary Drafts of the
Condominium Rules and General Condominium Rules
(English Version)

- 7.12. Pets are not allowed in the common areas at any time, except when duly accompanied and controlled by the owner, who is responsible for the immediate removal of any excrement caused by the animal.
- 7.13. Access to the common areas or private properties by lorries, vans or similar vehicles will only be authorised within the specified time limit; use of motorbikes in the development will be limited to the access between the public roads and the private properties, without prejudice to the rules limiting noise; parking of caravans and similar vehicles in the common areas is not permitted, unless the area is specifically designated to this end as well as the parking of any vehicles when the respective private property is not occupied; the Administrator may determine other restrictions to access and parking.
- 7.14. Private functions of any nature are not permitted in common areas except with the previous express authorisation of the Administrator.

Art. 8
Administration of the Condominium, Powers and Duties

- 8.1. The administration of the Condominium is the responsibility of the Assembly of the Owners and of the Administrator.
- 8.2. The Administrator of the Condominium will be the Administrator of the common zones of the Loteamento.
- 8.3. The Administrator can issue or alter rules adjusted to specific needs to complement the rules stipulated in this document regarding the use of the common areas, the areas treated as common areas or relative to the provision of services of common interest, as well as regarding the functioning of the Assembly of Owners, collection of the contributions for the common costs and any others necessary or convenient for the proper functioning of the Condominium; with such rules being subject to ratification of alteration by the Owner's Assembly.
- 8.4. The Administrator will have the duties defined by law and will be responsible for the day-to-day administration of YYY, as well as other functions, as may be determined by the Owners Assembly.

Art. 9
Assembly of the Owners

- 9.1. The Assembly of the Condominium will be held at least once a year, at a time convenient for the majority of owners and will deal principally with the approval of the accounts for the past year and the budget for the following years, which will be utilized as a base for the calculation of the following annual contribution due from each owner of a private property.
- 9.2. An extraordinary Assembly may be called by the Administrator or by 25% of the owners if the Administrator has not called the meeting within 3 months of it being requested by a number not less than 25% of owners, and with a specific Agenda.
- 9.3. The Assembly of Owners will be called by a convocation sent with at least 30 days notice to the last address advised to the Administrator for communication to the owner of each private property, or to the Condominium or to the private property which the same owner may have in the Condominium in the lack of a separate address.

THE SAVANNAHS
Promissory Contract
Annex IV – Preliminary Drafts of the
Condominium Rules and General Condominium Rules
(English Version)

- 9.4. The Convocation to the Assembly must include the respective Agenda and copies of the accounts, budgets, rules and any other documents to be presented to the Assembly for approval.
- 9.5. If a quorum of owners of the private properties present or represented in the Assembly with a majority of the votes available is not reached, a new meeting is deemed to have been convened for the same day and place, to take place an hour later, the Assembly then being able to deliberate by a simple majority of votes of the owners present or represented, provided they have at least 25% of the votes available in the Condominium.
- 9.6. The Assembly of the owners will be presided over by the Administrator or, in his absence, by an owner named at the time for this effect.
- 9.7. Each private property is entitled to the number of votes in the Assembly in proportion to the Permillage of the Condominium
- 9.8. The owners of the private properties may be represented in the Assembly by anyone, providing they are duly authorized for this effect in a written document addressed to the Administrator by the owner or his representative.
- 9.9. There is no limit to the number of owners of private properties who can be represented by the same person at the Assembly of the Owners.
- 9.10. A short résumé of the decisions approved by the Assembly of the Owners, showing the number of votes for and against, will be formally produced and signed by all owners or their representatives present at the assembly. A copy of the résumé will be sent by registered mail to all owners who were not present or represented in the Assembly, within 30 days.
- 9.11. The full Minutes of the Assembly, which must finish with the summary mentioned in 9.10 above, must be written and signed by the Administrator following the Assembly and a copy sent to all owners as soon as possible.

Art° 10
Dispute Resolution

- 10.1. Any disputes which cannot be resolved by the Assembly of Owners will be resolved by recourse to arbitration by an arbitrator nominated by all parties or, if the parties cannot agree, by an independent arbitrator nominated by the Assembly of Owners
- 10.2. The decision of the arbitrator must be issued with 30 days from the date of his nomination and will take effect 30 days after the parties in dispute are notified.

Art° 11
Administration of Condominium Funds and Documents.

- 11.1. The funds of the condominium will be kept in and disbursed from a bank account specifically opened for this purpose.
- 11.2. The Administrator of the Condominium must keep adequate records of the accounts, of the decisions of the Assembly, an inventory of common assets, and a register of correspondence.

Art° 12
Penalty Clause.

THE SAVANNAHS
Promissory Contract
Annex IV – Preliminary Drafts of the
Condominium Rules and General Condominium Rules
(English Version)

- 12.1. Any violation of Condominium rules, decisions of the Administrator or of the Assembly of Owners may be punished by a fine to be fixed by the Administrator between 1% and 50% of the annual contribution attributed to the property of the condominium owner in default in the year prior to the violation, without prejudice to the limits imposed by law, namely that established on number 2 of article 1 434 of the Portuguese Civil Code.
- 12.2. If no deliberation is made, the right to issue a fine lapses 12 months after the date when the violation ends.
- 12.3. When fixing the amount of the fine, the Administrator must consider the circumstances of the violation, the damage caused to the Common Areas or to other owners or users of the condominium, the degree of blame and any previous violations to the same or other rules or deliberations of the Condominium by the same person or entity.
- 12.4. The value of fines received will be added to the Reserve Fund.
- 12.5. Repair works or clearing up, which may be the responsibility of one or more of the owners and have not been carried out within a reasonable period of time that may be fixed by the Administrator may then be carried out by the administration of the condominium, with the respective costs being debited to the owners responsible.

THE SAVANNAHS
Promissory Contract
Annex IV – Preliminary Drafts of the
Condominium Rules and General Condominium Rules
(English Version)

GENERAL RULES FOR THE SAVANNHAS ALLOTMENT
(to be incorporated in the Allotment Rules)

Art. 1

Object of the Addendum to the Regulation

1. The present Addendum to the Regulation is intended to specify in more detail and complement the basic rules in the Regulamento do Alvará in Loteamento nº XXX of which it forms a part.
2. The present Addendum is intended to simplify the future functioning of the loteamento, in accordance with the objectives defined in Art. 4 of the Regulation referred to.
3. The present Addendum regulates both the principal use of the construction to be erected in the Loteamento, as well as the common zones within, taking into account that the Loteamento is intended to provide accommodation and services for the elderly, namely social, sporting, leisure and service equipment adequate to complement, promote and improve the quality of the principal use.
4. The present Addendum includes, as an Appendix, a prototype Regulation of the Horizontal Property.
5. For the effects of the present Addendum, the following definitions are adopted:-
 - a) ‘Allotment License’ – The Allotment License nº 4/2006 issued by the Loulé Council on the 20Th April 2006 together with any alterations or addendums approved in relation thereto.
 - b) ‘Loteamento’ – The Allotment approved by the Allotment License.
 - b) The ‘Regulation’ – The ‘Regulation’ contained in the Allotment License
 - c) Addendum – The present Addendum to the Regulation
 - d) Appendix – The Appendix to the Addendum, referred to in No. 4 of this article.
 - e) Area of Construction – The definition contained in Art. 7 of the Regulation.

Art. 2

Rules on the utilization of the Accommodation.

1. The accommodation units to be constructed on Lotes L03 and L05 to L10 of the Loteamento are destined for occupation of people whose age is equal to or superior to 55 years.
2. The rule contained in the previous line implies that the principal user in permanent occupation of the unit comply with the age limit defined in the previous number.
3. Besides the principal user, the only people who may reside in the accommodation on a permanent basis are spouses or others in a similar situation; and those who are in the service of the principal user and whose function is to accompany the user, at least in the night time; this situation being subject to a work or service contract in writing.
4. In addition, visitors of the principal users may reside or sleep in the same unit, subject to the following limitations:-
 - a) The period of the visit cannot exceed 30 consecutive days or a total of 120 days in each year;
 - b) The maximum number of people who may spend the night must not exceed the number of beds in each unit.

Art. 3

Common Areas and Areas equivalent to Common Areas

1. The common areas of buildings which may be constructed in the Loteamento are referred to in No. 3 of Art. 14 of the main Regulation and specifically include the following spaces, infrastructures and equipment:-

THE SAVANNAHS
Promissory Contract
Annex IV – Preliminary Drafts of the
Condominium Rules and General Condominium Rules
(English Version)

- a) Roads
- b) All accesses for vehicles or pedestrians
- c) Parking Zones
- d) Green Zones, whether landscaped or not
- e) Rubbish collection points
- f) Equipment to be built in plot L10 for religious and cultural purposes
- g) Equipment to be constructed in the service Lote, which may be integrated in the Owners Club
- h) All infrastructures, which supply goods or services to the Loteamento, namely water, drains, gas, electricity, telephone, safety, security and cable television, domotic net and transportation equipment.

2 Considering the relevance for the overall harmony of the Loteamento, all common or equivalent areas of each condominium under the Regulations in the Appendix, even when strictly not considered as collective use for the effects of No. 4 of Art. 43 of Decree-Law 555/1999 of 16th December, will be administered as common areas of the Loteamento as far as possible for the effects of maintenance, conservation, reparation or alteration and Regulation of the respective use, notwithstanding the property rights or the exclusive use of the owners of the respective fractions on which they fall.

3 Specifically, all exterior spaces of the buildings to be constructed in the Loteamento, which are integrated in any of the lots within the Loteamento, namely gardens, gardened areas, circulation zones, external pools and respective support facilities are available for access and use by the owners of all the buildings to be constructed in the Loteamento, without prejudice of the utilization rules which may result from the Regulation of the Condominium, which may be defined by the Administrator for the effect, will be administered as common areas of the Loteamento for effects of the respective maintenance, conservation, preparation or alteration.

4 The administration of the common areas of the Loteamento and those which must be administered under the cover of the previous articles will be subject to Articles 1420 to 1438 of the Civil Code, by Rules in this Addendum and where applicable, even by analogy, by the Rules of the Prototype Regulation of Horizontal Property, which constitutes the Appendix to the present Addendum, without prejudice to any alterations to which may be introduced administratively or by legislation in this material.

Art. 4

Rules Regarding the Management of the Commons Areas

1. The expenses of the common zones and equipment will be distributed between each building or condominium in accordance with the Permillage which was fixed by the Administrator and must correspond to the proportion between the area of construction authorized and the total area of construction allowed for the Loteamento.

Sub-Paragraph – If there is an alteration in the area of construction authorized for a building or condominium, which implies a variation superior to 3% of the area of construction foreseen at the time of fixing the Permillage with which the building or condominium will contribute towards the common expenses of the Loteamento, the proportion referred to will be adjusted by the Administrator and applied from the following year from which the use of the construction starts.

2. The General Assembly of the Loteamento will be constituted by the total of the owners of all the fractions or buildings which exist and each one will have as many votes in the Assembleia as the points attributed to them in the Permillage of the common expenses of the Loteamento, taking into account the rule established in the previous number.

THE SAVANNAHS
Promissory Contract
Annex IV – Preliminary Drafts of the
Condominium Rules and General Condominium Rules
(English Version)

3. The Administrator of the common parts of the Loteamento (the Administrator) will also be the Administrator of all the condominiums existing in the Loteamento.

4. The owner of the Alvará of the Loteamento will be immediately nominated the Administrator, who may delegate the responsibility to an entity nominated by him if and when it is considered convenient.

5. In case of failure of the Administrator to carry out his obligations, which result from the respective legislation or rules imposed directly or indirectly by the Addendum, he can be discharged from his duties by express vote of the majority of the owners of the buildings constructed in the Loteamento or by judicial decision; and a professionally qualified person or entity nominated in his place.

6. The Administrator may issue or alter additional rules adjusted to the specific necessities and complement the rules of this Addendum on the use of common and equivalent common areas, as well as the respective rules for the provision of services of common interest.

7. The Administrator must endeavour to supply the following services to the Residents, against a commercially acceptable payment and these services may be let out to third parties for fixed periods, renewable or not, as the Administrator understands to be convenient:-

- a) Domestic cleaning and laundry;
- b) Supply of medical and nursing services and support to the ill and invalids;
- c) Conservation, maintenance and repair services, normally necessary for habitation areas;
- d) Private Transport service to the outside of the Loteamento.