

Law 49/1960, of 21 July 1960, on Horizontal Property

(Version in force since 16 June 2022)

CHAPTER I

General Provisions

Article One.

The purpose of this Law is to regulate the special form of ownership established in Article 396 of the Civil Code, which is known as horizontal property.

For the purposes of this Act, those parts of a building which are susceptible to independent use by virtue of having an exit to a common element of the building or to the public thoroughfare shall also be considered as premises.

Article Two.

This Act shall be applicable

- a) To communities of owners constituted in accordance with the provisions of Article 5.

- b) To those communities that meet the requirements established in Article 396 of the Civil Code and which have not granted the title of condominium.

These communities shall be governed, in all cases, by the provisions of this Act as regards the legal regime of the property, its private parts and common elements, as well as the reciprocal rights and obligations of the co-owners.

- c) To private real estate complexes, under the terms established in this Act.

- d) To sub-communities, understood as those resulting when, in accordance with the provisions of the constitutive title, several owners have at their disposal, on a community basis, for their exclusive use and enjoyment, certain common elements or services endowed with functional or economic unity and independence.

e) To the urban planning entities of conservation in those cases where their statutes so provide.

CHAPTER II

The system of ownership by flats or premises.

Article 3.

Under the system of ownership established in Article 396 of the Civil Code, each flat or premises corresponds to

a) The singular and exclusive right of ownership over a space sufficiently delimited and susceptible of independent use, with the architectural elements and installations of all kinds, apparent or otherwise, which are included within its limits and serve exclusively the owner, as well as that of the annexes which have been expressly indicated in the title deed, even if they are located outside the delimited space.

b) Co-ownership, with the other owners of flats or premises, of the remaining common elements, belongings and services.

Each flat or premises shall be assigned a participation quota in relation to the total value of the property and referred to hundredths of the same. This share shall serve as a module to determine the participation in the community charges and benefits. The improvements or impairments of each flat or premises shall not alter the share attributed, which may only be varied in accordance with the provisions of Articles 10 and 17 of this Act.

Each owner may freely dispose of his right, without being able to separate the elements comprising it and without the transfer of enjoyment affecting the obligations deriving from this system of ownership.

Article 4.

An action for division shall not be brought to bring about the cessation of the situation regulated by this Act. It may only be exercised by each owner in joint ownership of a specific flat or premises, limited to the same, and provided that the joint ownership has not been established for the common service or utility of all the owners.

Article 5.

The title deed of ownership by flats or premises shall describe, in addition to the property as a whole, each flat or premises, to which a correlative number shall be assigned. The description of the property shall state the circumstances required by mortgage legislation and the services and facilities it has. The description of each flat or premises shall state its extension, boundaries, floor on which it is located and the annexes, such as garage, attic or basement.

The same title shall establish the share of participation corresponding to each flat or premises, determined by the sole owner of the building when the sale of the building by flat is initiated, by agreement of all the existing owners, by award or by judicial decision. The useful surface area of each flat or premises in relation to the total of the building, its interior or exterior location, its situation and the use that it is rationally presumed will be made of the services or common elements shall be taken as the basis for its determination.

The title may also contain rules for the constitution and exercise of the right and provisions not prohibited by law regarding the use or destination of the building, its different floors or premises, installations and services, expenses, administration and government, insurance, conservation and repairs, forming a private statute that shall not be prejudicial to third parties if it has not been registered in the Land Registry.

In any modification of the title, and except for the provisions on the validity of agreements, the same requirements shall be observed as for incorporation.

Article 6.

In order to regulate the details of cohabitation and the appropriate use of the services and common things, and within the limits established by the Law and the Bylaws, the group of owners may establish rules of internal regulations which shall also be binding on all owners until they are modified in the manner established for making agreements on administration.

Article 7.

1. The owner of each flat or premises may modify the architectural elements, installations or services of the same when this does not impair or alter the safety of the building, its general structure, its external configuration or state, or prejudice the rights of another owner, having to give prior notice of such works to the representatives of the Community.

In the rest of the building he may not carry out any alteration whatsoever, and if he notices the need for urgent repairs, he must inform the administrator without delay.

2. The owner and the occupant of the flat or premises are not permitted to carry out activities in the flat or premises that are prohibited in the bylaws, that are harmful to the property or that contravene the general provisions on annoying, unhealthy, harmful, dangerous or unlawful activities.

The President of the community, at his own initiative or at the initiative of any of the owners or occupants, shall require the person carrying out the activities prohibited by this section to cease them immediately, under penalty of initiating the appropriate legal action.

If the offender persists in his conduct, the President, after authorisation by the Board of Owners, duly convened for this purpose, may bring an action for cessation against him, which, where not expressly provided for in this Article, shall be dealt with by means of an ordinary lawsuit.

On presentation of the claim, accompanied by accreditation of the reliable summons to the offender and certification of the resolution adopted by the General Meeting, the judge may order the immediate cessation of the prohibited activity as a precautionary measure, under penalty of incurring the offence of disobedience. He may also adopt any precautionary measures that may be necessary to ensure the effectiveness of the cease and desist order. The claim must be directed against the owner and, where appropriate, against the occupant of the dwelling or premises.

If the judgement is upheld, in addition to the definitive cessation of the prohibited activity and the appropriate compensation for damages, the right to use the dwelling or premises may be deprived for a period not exceeding three years, depending on the seriousness

of the infringement and the damage caused to the community. If the offender is not the owner, the sentence may declare the definitive extinguishment of all rights relating to the dwelling or premises, as well as its immediate release.

Article 8.

(Repealed).

Article 9.

1. The obligations of each owner are

a) To respect the general installations of the community and other common elements, whether they are for general use or for the private use of any of the owners, whether or not they are included in their flat or premises, making proper use of the same and avoiding at all times causing damage or deterioration.

b) To maintain his own flat or premises and private installations in a good state of repair, in terms that do not harm the community or the other owners, making good any damage caused by his own carelessness or that of the persons for whom he is responsible.

c) To consent in his property or premises to the repairs required for the service of the property and to allow therein the essential easements required for the carrying out of works, actions or the creation of common services carried out or agreed in accordance with the provisions of this Law, having the right to be compensated by the community for the damages caused.

d) To allow entry to his flat or premises for the purposes set out in the three preceding sections.

e) To contribute, in accordance with the participation quota established in the title deeds or as specially established, to the general expenses for the adequate maintenance of the property, its services, charges and responsibilities that cannot be individualised.

The credits in favour of the community derived from the obligation to contribute to the support of the general expenses corresponding to the instalments attributable to the

expired part of the current year and the three previous years have the status of preferential for the purposes of article 1. 923 of the Civil Code and precede, for their satisfaction, those mentioned in numbers 3, 4 and 5 of said precept, without prejudice to the preference established in favour of salary credits in the revised text of the Law of the Workers' Statute, approved by Royal Legislative Decree 1/1995, of 24 March.

The acquirer of a flat or premises under the horizontal property regime, even with title registered in the Land Registry, is liable with the property acquired for the amounts owed to the community of owners for the maintenance of the general expenses by the previous owners up to the limit of those that are attributable to the expired part of the annual period in which the acquisition takes place and to the three previous calendar years. The flat or premises shall be legally subject to the fulfilment of this obligation.

In the public instrument by means of which the property or premises are transferred, by whatever title, the transferor must declare that he/she is up to date with the payment of the general expenses of the community of owners or state the amount owed. The transferor must at this time provide certification of the state of his debts with the community, coinciding with his declaration, without which the execution of the public document cannot be authorised, unless he is expressly exempted from this obligation by the acquirer. The certificate shall be issued within a maximum period of seven calendar days from its request by the person acting as secretary, with the approval of the president, who shall be liable, in the event of fault or negligence, for the accuracy of the information contained therein and for the damages caused by the delay in its issue.

f) Contribute, in accordance with their respective participation quota, to the endowment of the reserve fund that will exist in the community of owners to attend to the works of conservation, repair and rehabilitation of the property, the carrying out of the accessibility works set out in article ten.1.b) of this Act, as well as the carrying out of the accessibility and energy efficiency works set out in article seventeen.2 of this Act.

The reserve fund, the ownership of which corresponds for all purposes to the community, shall be endowed with an amount that in no case may be less than 10 percent of its last ordinary budget.

With charge to the reserve fund, the community may take out an insurance contract to cover the damage caused to the property or conclude a contract for the permanent maintenance of the building and its general installations.

g) To observe due diligence in the use of the property and in their relations with the other owners, and to answer to them for any infringements committed and for any damage caused.

h) Communicate to the person acting as secretary of the community, by any means that allows proof of receipt, the address in Spain for the purpose of summons and notifications of any kind relating to the community. In the absence of this communication, the address for summons and notifications shall be deemed to be the flat or premises belonging to the community, and those delivered to the occupant of the same shall have full legal effect.

If it is impossible to serve a summons or notification on the owner in the place provided for in the previous paragraph, it shall be understood to have been served by posting the corresponding notice on the notice board of the community, or in a visible place of general use provided for this purpose, with a note stating the date and reasons for this form of notification, signed by the person acting as secretary of the community, with the approval of the president. The notification made in this manner shall produce full legal effects within three calendar days.

i) To notify the person acting as secretary of the community, by any means that allows proof of receipt, of the change of ownership of the property or premises.

Any person who fails to comply with this obligation shall continue to be jointly and severally liable with the new owner for the debts to the community accrued after the transfer, without prejudice to the right of the former to take over the latter.

The provisions of the previous paragraph shall not be applicable when any of the governing bodies established in Article 13 have become aware of the change of ownership of the property or premises by any other means or by conclusive acts of the new owner, or when said transfer is notorious.

2. For the application of the rules of the previous section, expenses that are not attributable to one or more flats or premises will be considered general expenses, without the non-use of a service exempting the fulfilment of the corresponding obligations, without prejudice to the provisions of article 17.4.

Article ten.

1. The following actions shall be of an obligatory nature and shall not require the prior agreement of the General Meeting, whether or not they imply modification of the constitutive title or of the Bylaws, and whether or not they are imposed by the Public Administrations or requested at the request of the owners:

a) The works that are necessary for the adequate maintenance and compliance with the duty of conservation of the property and its common services and installations, including in any case, those necessary to satisfy the basic requirements of safety, habitability and universal accessibility, as well as the conditions of ornamentation and any others deriving from the imposition, by the Administration, of the legal duty of conservation.

b) The works and actions that are necessary to guarantee reasonable adjustments in terms of universal accessibility and, in any case, those required at the request of the owners in whose dwelling or premises disabled persons or persons over seventy years of age live, work or provide voluntary services, with the aim of ensuring that they can use the common elements in a manner appropriate to their needs, as well as the installation of ramps, lifts or other mechanical and electronic devices that favour orientation or communication with the exterior, provided that the amount charged annually for the same, after deducting public subsidies or aid, does not exceed twelve ordinary monthly payments of common expenses. The fact that the rest of the cost of these works, beyond the aforementioned monthly payments, is assumed by those who have requested them, does not eliminate the obligatory nature of these works.

It will also be compulsory to carry out these works when the public subsidies to which the community may have access reach 75% of the amount of the same.

c) The occupation of common elements of the building or private property complex for the duration of the works referred to in the previous letters.

d) The construction of new floors and any other alteration of the structure or fabric of the building or of the common things, as well as the constitution of a property complex, as provided for in article 17.4 of the revised text of the Land Law, approved by Royal Legislative Decree 2/2008, of 20 June, which are mandatory as a result of the inclusion of the property in an area of rehabilitation or urban regeneration and renovation.

e) The acts of material division of flats or premises and their annexes to form smaller and independent ones, the increase in their surface area by aggregation of other adjoining ones in the same building, or their reduction by segregation of any part, carried out at the will and request of their owners, when such actions are possible as a result of the inclusion of the property in an area of action for rehabilitation or urban regeneration and renovation.

2. Taking into account the necessary or obligatory nature of the actions referred to in letters a) to d) of the previous section, the following shall apply:

a) They will be paid for by the owners of the corresponding community or grouping of communities, with the agreement of the Board being limited to the distribution of the relevant charge and the determination of the terms of its payment.

b) Owners who oppose or unjustifiably delay the execution of the orders issued by the competent authority will be individually liable for the penalties that may be imposed in administrative proceedings.

c) The flats or premises will be subject to the payment of the expenses derived from the carrying out of said works or actions under the same terms and conditions as those established in Article 9 for general expenses.

3. Administrative authorisation shall be required, in all cases:

a) The constitution and modification of the real estate complex referred to in article 17.6 of the rewritten text of the Land Law, approved by Royal Legislative Decree 2/2008, of 20 June, in its same terms.

b) When this has been requested, with the prior approval of three fifths of the total number of owners who, in turn, represent three fifths of the coefficients of participation the material division of the flats or premises and their annexes, to form other smaller and independent ones; the increase of their surface area by aggregation of other adjoining ones in the same building or their reduction by segregation of some part; the construction of new floors and any other alteration to the structure or fabric of the building, including the enclosure of terraces and the modification of the envelope to improve energy efficiency, or of the common things, when the requirements referred to in article 17. 6 of the revised text of the Land Law, approved by Royal Legislative Decree 2/2008, of 20 June.

In these cases, the consent of the affected owners must be recorded, and it shall be the responsibility of the General Meeting, by common agreement with them, and by a majority of three fifths of the total number of owners, to determine the corresponding compensation for damages. The fixing of the new participation quotas, as well as the determination of the nature of the works to be carried out, in the event of disagreement on the same, will require the adoption of the appropriate agreement of the Board of Owners, by the same majority. In this respect, the interested parties may also request arbitration or a technical opinion under the terms established by Law.

Article 11.
(Repealed).

Article 12
(Repealed).

Article 13 .

1. The governing bodies of the community are the following:

- a) The General Meeting.
- b) The President and, where appropriate, the Vice-president.

- c) The secretary.
- d) The Administrator.

In the Bylaws, or by majority agreement of the General Meeting, other governing bodies of the community may be established, without this implying any impairment of the functions and responsibilities towards third parties attributed to the aforementioned bodies by this Law.

2. The President shall be appointed from among the owners, by election or, alternatively, by rotation or by drawing lots. The appointment shall be obligatory, although the designated owner may request the judge to relieve him of his post within the month following his taking up the post, invoking the reasons he may have for doing so. The judge, by means of the procedure established in Article 17.7.^a, shall decide what is appropriate, designating in the same resolution the owner who is to replace, if applicable, the President in the post until a new appointment is made within the period determined in the judicial resolution.

Likewise, recourse may be had to the judge when, for whatever reason, it is impossible for the Meeting to designate the President of the Community.

3. The President shall legally represent the community, in and out of court, in all matters affecting the community.

4. The existence of vice-presidents shall be optional. They shall be appointed by the same procedure as that established for the appointment of the President.

It shall be the duty of the vice-president, or vice-presidents in their order, to substitute the president in the event of absence, vacancy or impossibility of the latter, as well as to assist him in the exercise of his functions under the terms established by the Board of Owners.

5. The functions of the secretary and the administrator shall be exercised by the president of the community, unless the statutes or the Board of Owners by majority agreement provide for the filling of these offices separately from the presidency.

6. The offices of secretary and administrator may be held by the same person or may be appointed independently.

The office of administrator and, where appropriate, that of secretary-administrator may be held by any owner, as well as by natural persons with sufficient and legally recognised professional qualifications to exercise these functions. It may also be held by corporations and other legal persons under the terms established in the legal system.

7. Unless the statutes of the community provide otherwise, the appointment of the governing bodies shall be for a period of one year.

Those appointed may be removed from office before the expiry of the term of office by agreement of the General Meeting, convened in an extraordinary session.

8. When the number of owners of properties or premises in a building does not exceed four, they may avail themselves of the administration system of article 398 of the Civil Code, if expressly established in the Bylaws.

Article 14.

The General Meetings shall be responsible for

a) To appoint and remove the persons who hold the offices mentioned in the previous article and to resolve any claims made by the owners of the flats or premises against the actions of the former.

b) To approve the foreseeable expenditure and income plan and the corresponding accounts.

c) Approve the budgets and the execution of all repair work on the property, whether ordinary or extraordinary, and be informed of the urgent measures adopted by the administrator in accordance with the provisions of article 20.c).

d) Approve or reform the Bylaws and determine the internal regulations.

e) To know and decide on other matters of general interest for the community, agreeing on the necessary or convenient measures for the best common service.

Article fifteen.

1. Attendance at the General Meeting will be personal or by legal or voluntary representation, a written document signed by the owner being sufficient to accredit this.

If any flat or premises belong "pro indiviso" to different owners, these shall appoint a representative to attend and vote at the meetings.

If the flat or premises are in usufruct, the attendance and voting shall correspond to the bare owner, who, unless otherwise stated, shall be understood to be represented by the usufructuary, and the delegation must be express when dealing with the agreements referred to in the first rule of Article 17 or with extraordinary works and improvements.

2. Owners who at the time of the commencement of the meeting are not up to date with the payment of all debts due to the community and who have not challenged the same in court or have not proceeded to the judicial or notarial deposit of the sum owed, may participate in the deliberations, although they shall not have the right to vote. The minutes of the meeting shall show the owners deprived of the right to vote, whose person and coefficient of participation in the community shall not be counted for the purposes of reaching the majorities required by this Act.

Article 16.

1. The General Meeting shall meet at least once a year to approve the budgets and accounts, and on such other occasions as may be deemed convenient by the President or at the request of one quarter of the owners, or a number of owners representing at least 25 per cent of the coefficients of participation.

2. The notice of meeting shall be issued by the Presidente or, failing this, by the promoters of the meeting, indicating the business to be dealt with, the place, day and time of the meeting on first or, where appropriate, second call, with the summons being issued in the manner established in article 9. The notice of meeting shall contain a list of

the owners who are not up to date in the payment of debts owed to the community and shall warn of the deprivation of the right to vote in the cases contemplated in article 15.2.

Any owner may request that the General Meeting study and decide on any subject of interest to the community; to this end, he shall address a written document, clearly specifying the matters he requests to be dealt with, to the President, who shall include them on the agenda of the next meeting to be held.

If the meeting is not attended, on first call, by the majority of the owners representing the majority of the coefficients of participation, a second call will be made, this time without a quorum.

The Meeting will meet on second call at the place, day and time indicated on the first call, and may be held on the same day if half an hour has elapsed since the previous summons. Failing this, it shall be reconvened, in accordance with the requirements established in this article, within eight calendar days following the Meeting not held, in which case the summons shall be issued at least three days in advance.

3. At least six days' notice shall be given for the Annual General Meeting, and as much notice as possible for extraordinary meetings, so that all interested parties may be informed. The Meeting may validly meet even without the President's call, provided that all the owners are present and so decide.

Article 17.

The resolutions of the General Meetings shall be subject to the following rules:

1. The installation of common infrastructures for access to the telecommunication services regulated in Royal Decree-Law 1/1998, of 27th February, on common infrastructures in buildings for access to telecommunication services, or the adaptation of the existing ones, as well as the installation of common or private systems, of renewable energies, or of the infrastructures necessary to access new collective energy supplies, may be agreed, at the request of any owner, by one third of the members of the community representing, in turn, one third of the participation quotas.

The community may not pass on the cost of the installation or adaptation of said common infrastructures, nor those derived from their conservation and subsequent maintenance, to those owners who have not expressly voted in favour of the resolution at the Meeting. However, if they subsequently request access to telecommunications services or energy supplies, and this requires taking advantage of the new infrastructures or the adaptations made to the pre-existing ones, they may be authorised to do so, provided that they pay the amount that would have corresponded to them, duly updated, applying the corresponding legal interest.

Notwithstanding the provisions of the previous paragraph with regard to conservation and maintenance expenses, the new infrastructure installed shall be considered, for the purposes established in this Act, as a common element.

2. Without prejudice to the provisions of Article 10.1.b), the carrying out of works or the establishment of new common services whose purpose is the removal of architectural barriers that hinder access or mobility for disabled persons and, in any case, the establishment of lift services, even when they imply the modification of the title deeds or of the Bylaws, shall require the favourable vote of the majority of the owners, who, in turn, represent the majority of the participation quotas.

When agreements are validly adopted to carry out accessibility works, the community shall be obliged to pay the expenses, even when the amount of the annual charge exceeds twelve ordinary monthly payments of common expense

The carrying out of works or actions that contribute to the improvement of energy efficiency that can be accredited through the building's energy efficiency certificate or the implementation of renewable energy sources for common use, as well as the application for aid and subsidies, loans or any type of financing by the communities of owners to public or private entities for the carrying out of such works or actions, shall require the favourable vote of a simple majority of the owners, who in turn represent a simple majority of the participation quotas, provided that the annual amount, net of subsidies or public aid and after applying the financing, if applicable, does not exceed the amount of twelve ordinary monthly payments of common expenses. The dissenting owner shall not have the right recognised in section 4 of this Article, and the cost of this work, or the

amounts necessary to defray the loans or financing granted for this purpose, shall be considered as general expenses for the purposes of applying the rules established in letter e) of Article 9.1 of this Act.

3. The establishment or suppression of porter's lodge, concierge, surveillance or other common services of general interest, whether or not they imply modification of the constitutive title or of the Bylaws, shall require the favourable vote of three fifths of the total number of owners representing three fifths of the coefficients of participation.

The same regime shall apply to the letting of common elements that have not been assigned a specific use in the building and the installation or removal of equipment or systems, not included in section 1, that are intended to improve the energy or water efficiency of the building. In the latter case, agreements validly adopted in accordance with this rule are binding on all owners. However, if the equipment or systems have a private use, for the adoption of the agreement, the favourable vote of one third of the members of the community representing, in turn, one third of the participation quotas will be sufficient, applying, in this case, the system of repercussion of costs established in the aforementioned section.

4. No owner may demand new installations, services or improvements not required for the adequate conservation, habitability, security and accessibility of the property, according to its nature and characteristics.

However, when by the favourable vote of three fifths of the total number of owners representing three fifths of the coefficients of participation, agreements are validly adopted to carry out innovations, new installations, services or improvements not required for the adequate conservation, habitability, security and accessibility of the property, according to its nature and characteristics, habitability, safety and accessibility of the property, which are not required and whose installation fee exceeds the amount of three ordinary monthly instalments of common expenses, the dissenting party shall not be obliged, nor shall his share be modified, even if he cannot be deprived of the improvement or advantage. If the dissenting party wishes, at any time, to participate in the advantages of the innovation, he must pay his share in the costs of realisation and maintenance, duly discounted by the application of the corresponding legal interest.

Innovations that render any part of the building unusable for the use and enjoyment of an owner may not be made without the express consent of the owner.

5. The installation of an electric vehicle charging point for private use in the car park of the building, provided that it is located in an individual parking space, will only require prior notification to the community. The cost of said installation and the corresponding electricity consumption will be assumed in full by the person or persons directly interested in the same.

6. Agreements not expressly regulated in this Article, which imply the approval or modification of the rules contained in the constitutive title of the condominium or in the community statutes, shall require for their validity the unanimous vote of the total number of owners who, in turn, represent the total number of coefficients of participation.

7. For the validity of other resolutions, the vote of the majority of the total number of owners representing the majority of coefficients of participation shall be sufficient. On second call, the resolutions adopted by the majority of those present shall be valid, provided that this in turn represents more than half of the value of the coefficients of those present.

When the majority cannot be obtained by the procedures set out in the preceding paragraphs, the judge, at the request of a party filed within one month of the date of the second meeting, and after hearing the previously cited opposing parties, shall decide in equity what is appropriate within twenty days of the request, making a ruling as to the payment of costs.

8. Except in the cases expressly foreseen in which the cost of the services cannot be passed on to those owners who have not expressly voted in favour of the agreement at the Meeting, or in those cases in which the modification or reform is made for private use, those owners absent from the Meeting shall be counted as votes in favour, duly summoned, who, once informed of the resolution adopted by those present, in accordance with the procedure established in article 9, do not express their

disagreement by notifying the person acting as secretary of the community within a period of 30 calendar days, by any means which allows proof of receipt to be recorded.

9. Resolutions validly adopted in accordance with the provisions of this article are binding on all owners.

10. In the event of a discrepancy as to the nature of the works to be carried out, the General Meeting will decide what is appropriate. The interested parties may also request arbitration or a technical opinion under the terms established by Law.

11. Contributions for the payment of improvements made or to be made to the property will be the responsibility of the owner at the time of the payment of the sums due for the payment of the said improvements.

12. The agreement limiting or conditioning the exercise of the activity referred to in letter e) of Article 5 of Law 29/1994, of 24th November, on Urban Leases, in the terms established in the tourism sector regulations, whether or not it entails modification of the constitutive title or of the Bylaws, shall require the favourable vote of three fifths of the total number of owners who, in turn, represent three fifths of the participation quotas. Likewise, the same majority shall be required for a resolution establishing special expense quotas or an increase in the share of the common expenses of the dwelling where such activity is carried out, provided that these modifications do not imply an increase of more than 20%. These agreements shall not have retroactive effects.

Article 18.

1. The resolutions of the Meeting of Owners may be challenged before the courts in accordance with the provisions of general procedural legislation, in the following cases:

- a) When they are contrary to the law or to the Bylaws of the Community of Owners.
- b) When they are seriously detrimental to the interests of the community itself, to the benefit of one or several owners.
- c) When they are seriously detrimental to any owner who is not legally obliged to bear it or when they have been adopted with abuse of rights.

2. Owners who have withheld their vote at the Meeting, those absent for any reason whatsoever and those who have been unduly deprived of their right to vote shall be entitled to challenge these resolutions. In order to challenge the resolutions of the Meeting, the owner must be up to date in the payment of all the debts due to the community or previously proceed to the judicial consignment of the same. This rule shall not be applicable to the challenge of the resolutions of the Meeting relating to the establishment or alteration of the participation quotas referred to in Article 9 between the owners.

3. The action shall lapse three months after the resolution is adopted by the General Meeting, except in the case of acts contrary to the law or the Bylaws, in which case the action shall lapse after one year. In the case of absent owners, this period shall be calculated as from the communication of the resolution in accordance with the procedure established in article 9.

4. Challenging the resolutions of the General Meeting shall not suspend their execution, unless the judge so orders as a precautionary measure, at the request of the plaintiff, having heard the Community of Owners.

Article 19.

1. The agreements of the General Meetings shall be recorded in a book of minutes recorded by the Land Registrar in the manner provided for in the regulations.

2. The minutes of each meeting of the General Meetings must state at least the following circumstances:

- a) The date and place of the meeting.
- b) The author of the notice of meeting and, where appropriate, the owners who have called the meeting.
- c) Whether it is an ordinary or extraordinary meeting and whether it is to be held on first or second call.
- d) List of all those attending and their respective positions, as well as the owners represented, indicating, in all cases, their participation quotas.
- e) The agenda of the meeting.

f) The resolutions adopted, indicating, if relevant for the validity of the resolution, the names of the owners who voted in favour and against the resolutions, as well as the respective participation quotas they represent.

3. The minutes shall be closed with the signatures of the President and the secretary at the end of the meeting or within the following ten calendar days. As soon as the minutes are closed, the resolutions shall be enforceable, unless otherwise provided by law.

The minutes of the meetings shall be sent to the owners in accordance with the procedure established in article 9.

Any defects or errors in the minutes may be rectified provided that the same unequivocally states the date and place of the meeting, the owners attending, present or represented, and the resolutions adopted, indicating the votes in favour and against, as well as the respective share quotas involved, and is signed by the President and the Secretary. Said correction must be made before the next meeting of the Board of Owners, which must ratify the correction.

4. The secretary shall keep the minute books of the General meetings. He must also keep, for a period of five years, the notices, communications, proxies and other relevant documents of the meetings.

Article 20.

1. The administrator shall be responsible for:

a) To ensure the proper running of the house, its installations and services, and for these purposes to issue the appropriate warnings and admonitions to the owners.

b) To prepare in due time and submit to the Board the plan of foreseeable expenses, proposing the necessary means to meet the same.

c) To attend to the upkeep and maintenance of the house, arranging the repairs and measures that are urgent, immediately reporting them to the President or, where appropriate, to the owners.

d) To execute the agreements adopted regarding works and to make the appropriate payments and collections.

- e) To act, as the case may be, as secretary of the Board and to keep the documentation of the community at the disposal of the owners.
- f) All other powers conferred by the Board.

Article twenty-one. Non-payment of common expenses, preventive measures of a conventional nature, judicial claim of the debt and mediation and arbitration.

1. The General Meetings may agree on dissuasive measures to discourage late payment for the period of time in which this situation persists, such as the establishment of interest rates higher than the legal interest rate or the temporary deprivation of the use of services or installations, provided that they cannot be considered abusive or disproportionate or that they affect the habitability of the properties. These measures may in no case be retroactive and may be included in the community statutes. In any case, the credits in favour of the community shall accrue interest from the time when the corresponding payment is due and is not made.

2. The community may, without prejudice to the use of other judicial procedures, claim from the party obliged to pay all amounts owed to it in respect of common expenses, whether they are ordinary or extraordinary, general or individualised, or reserve fund, and by means of the special payment order procedure applicable to communities of owners of properties under the Horizontal Property Regime. In any case, the registered owner may be sued, in order to support the execution on the property registered in his name. The professional secretary-administrator, if so agreed by the meeting of owners, may judicially demand the obligation to pay the debt by means of this procedure.

3. In order to initiate the claim through the payment order procedure, the claim must be accompanied by a certificate of the debt settlement agreement issued by the person acting as secretary of the community with the approval of the President, unless the former is a secretary-administrator with the necessary professional qualifications and legally recognised who is not going to intervene professionally in the judicial claim for the debt, in which case the signature of the President will not be necessary. This certificate must state the amount owed and its breakdown. In addition to the certificate, the accrediting document stating that the debtor has been notified must be provided together with the initial application for payment order proceedings, which may also be posted on

the notice board or in a visible place in the community for a period of at least three days. The approved fees accrued until the notification of the debt, as well as all the expenses and costs involved in claiming the debt, including those derived from the intervention of the secretary-administrator, which will be paid by the debtor, may be included in the initial petition for payment of the debt.

4. Where the debtor opposes the initial application for an order for payment, the community may apply for the freezing of sufficient assets of the debtor to cover the amount claimed, interest and costs.

The court shall in any event order the freezing without the need for the creditor to provide security. However, the debtor may prevent the attachment by providing the guarantees provided for in the procedural law.

5. When in the initial application for an order for payment procedure the professional services of a lawyer and/or solicitor are used to claim the amounts owed to the Community, the debtor shall pay, subject in all cases to the limits laid down in Article 394 (3) of the Code of Civil Procedure, the fees and charges accruing to both for their intervention, whether he complies with the order for payment or does not appear before the court, including those for enforcement, if applicable. In cases where there is opposition, the general rules on costs shall be followed, although if the Community obtains a judgement totally favourable to its claim, the lawyer's fees and the rights of the procurator derived from his intervention shall be included therein, even if it has not been compulsory.

6. The claim for community expenses and the reserve fund, or any question related to the obligation to contribute to them, may also be the object of mediation-conciliation or arbitration, in accordance with the applicable legislation.

Article 22.

1. The Community of Owners shall be liable for its debts to third parties with all the funds and credits in its favour. Subsidiarily, and after having requested payment from the respective owner, the creditor may take action against each owner who has been a party

to the corresponding proceedings for the share corresponding to him in the unsatisfied amount.

2. Any owner may oppose enforcement if he proves that he is up to date with the payment of all the debts due to the community at the time the summons referred to in the previous section is issued.

If the debtor pays at the time of the summons, he shall be liable for the costs incurred up to that time in the proportional part that corresponds to him.

Article 23.

The Horizontal Property Regime shall be extinguished:

First. By the destruction of the building, unless otherwise agreed. This shall be deemed to have occurred when the cost of reconstruction exceeds fifty percent of the value of the property at the time of the incident, unless the excess of said cost is covered by insurance.

Second. By conversion into ordinary ownership or co-ownership.

CHAPTER III

Regime of private complex.

Article 24.

1. The special property regime established in Article 396 of the Civil Code shall be applicable to those private real estate complexes that meet the following requirements:

- a) Be made up of two or more buildings or plots independent of each other whose main purpose is housing or premises.
- b) The owners of these properties, or of the dwellings or premises into which they are divided horizontally, participate in an indivisible co-ownership of other real estate elements, roads, installations or services.

2. The private property complexes referred to in the preceding section may:

a) Constitute themselves into a single community of owners by means of any of the procedures established in the second paragraph of Article 5. In this case they shall be subject to the provisions of this Act, which shall be fully applicable to them.

b) To form a group of communities of owners. For this purpose, it will be required that the constitutive title of the new grouped community be granted by the sole owner of the complex or by the presidents of all the communities called upon to form it, previously authorised by majority agreement of their respective General Meetings. The title of incorporation shall contain the description of the property complex as a whole and of the common elements, roads, installations and services. It shall also establish the share of participation of each of the integrated communities, which shall be jointly liable for their obligation to contribute to the general expenses of the grouped community. The title and the statutes of the grouped community shall be registrable in the Land Registry.

3. The grouping of communities referred to in the previous section shall enjoy, for all purposes, the same legal status as the communities of owners and shall be governed by the provisions of this Act, with the following special features:

a) The General Meetings shall be composed, unless otherwise agreed, of the presidents of the communities forming part of the grouping, who shall represent all the owners of each community.

b) The adoption of agreements for which the law requires qualified majorities will require, in any case, the prior obtaining of the majority in question in each of the General Meeting of the communities comprising the grouping.

c) Unless otherwise agreed by the Meeting, the provisions of Article 9 of this Act regarding the reserve fund shall not be applicable to the grouped community.

The competence of the governing bodies of the grouped community only extends to the common real estate, roads, installations and services. Their agreements may in no case impair the powers corresponding to the governing bodies of the communities of owners integrated in the grouping of communities.

4. The provisions of this Act shall be applicable to private real estate complexes that do not adopt any of the legal forms indicated in Section 2, with the same specialities as those indicated in the previous section, on a supplementary basis with respect to the agreements established between co-owners.

ADDITIONAL PROVISION

1. Without prejudice to the provisions adopted by the Autonomous Communities in the exercise of their powers, the constitution of the reserve fund regulated in Article 9.1.f) shall be subject to the following rules:

a) The fund must be constituted at the time of approval by the General Meetings of the ordinary budget of the community corresponding to the annual financial year immediately following the entry into force of this provision.

New communities of owners shall constitute the reserve fund at the time of approving their first ordinary budget.

b) At the time of its constitution, the fund shall be endowed with an amount not less than 2.5 per cent of the ordinary budget of the community. For this purpose, the owners must first make the necessary contributions in accordance with their respective shares.

c) When the ordinary budget corresponding to the annual financial year immediately following that in which the reserve fund is constituted is approved, the endowment of the reserve fund must reach the minimum amount established in Article 9.

2. The endowment of the reserve fund shall at no time during the financial year be less than the statutory minimum.

Amounts drawn from the fund during the financial year to cover expenditure on the works or measures referred to in Article 10 shall be counted as part of the fund for the purpose of calculating its minimum amount.

At the beginning of the following financial year, the necessary contributions shall be made to cover the amounts withdrawn from the reserve fund in accordance with the previous paragraph.

TRANSITIONAL PROVISIONS

First.

This Act shall govern all the communities of owners, regardless of the time at which they were created and the content of their statutes, which may not be applied in contradiction to the provisions of this Act.



Within a period of two years from the publication of this Act in the Official State Gazette, communities of owners must adapt their bylaws to the provisions of this Act, insofar as they are in contradiction with its precepts.

Once the two years have elapsed, any of the owners may judicially request the adaptation provided for in this provision by means of the procedure indicated in number two of Article sixteen.

Second.

In the current statutes regulating ownership by flat, in which the right of first refusal is established in favour of the owners, the same shall be understood to have been modified in such a way as to render this right ineffective, unless, in a new meeting, and by a majority representing at least 80% of the owners, it is agreed to maintain the aforementioned right of first refusal in favour of the members of the community.

FINAL PROVISION

Any provisions in conflict with the provisions of this Act are hereby repealed.