



GOVERNANCE, MANAGEMENT AND RESPONSIBILITIES

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Introduction

There are many questions that are asked from time to time, such as:

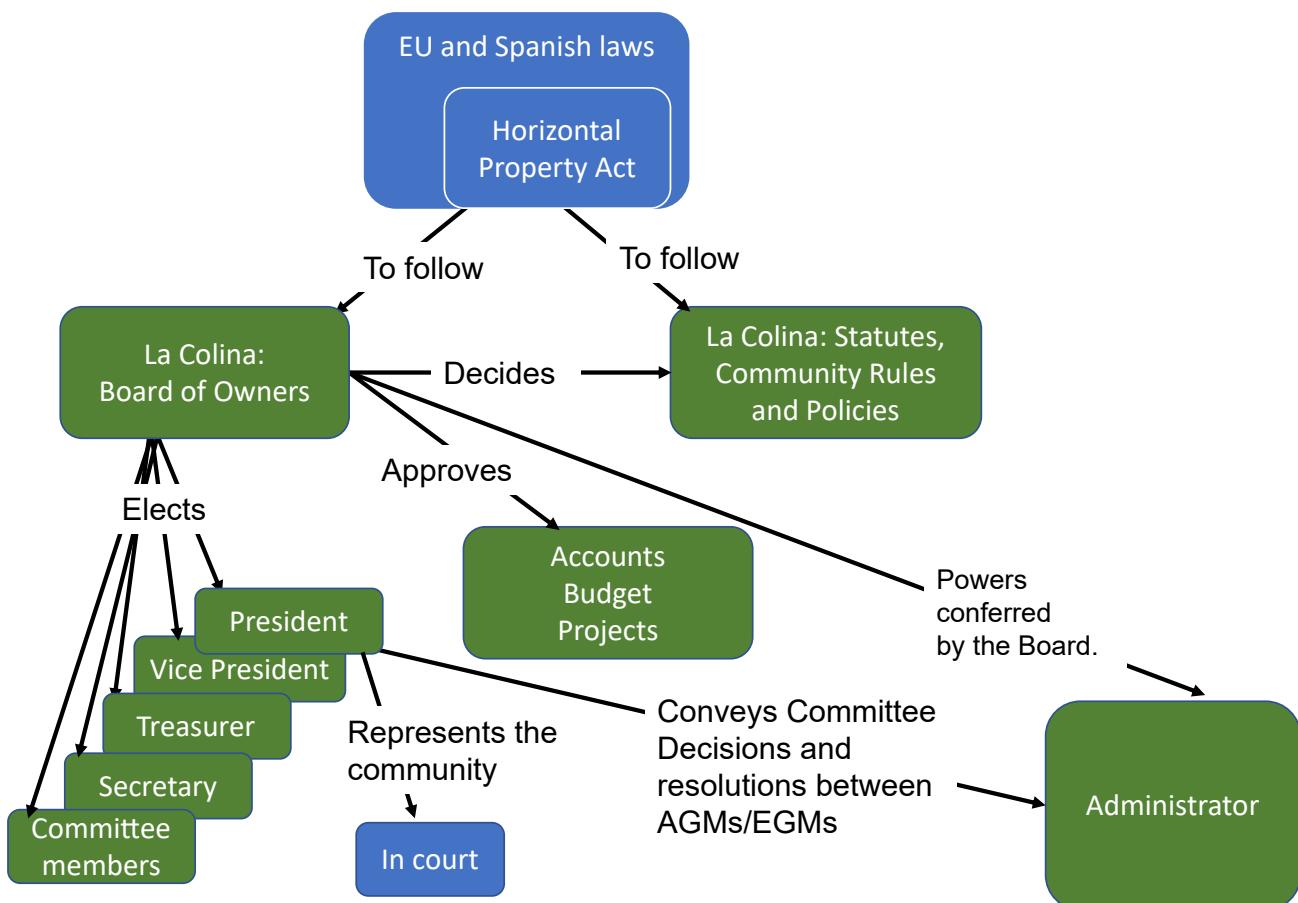
- What are the most important requirements for such complexes as La Colina according to Spanish law?
- What is the role of our Statutes and its relationship with Spanish law?
- Who has the highest authority in La Colina?
- How important are the decisions at the AGM?
- What is the responsibility and authority of the President? The Committee members? How about the Administrator?

- What are the most important responsibilities of each apartment owner as per Spanish laws?

As the language in the formal laws and also our statutes can be seen as quite “heavy” to grasp for a layman, we have made this information page to help clarify the most important elements of governance, management and responsibilities of our complex in a simple and practical language, so that interested owners can have a look and hopefully get some clarifications on such questions as those above and more, without spending too much time.

This information page has been validated and confirmed as correct by our Administrator.

2. The basic hierarchy



The diagram above illustrates the basic hierarchy on governance, management and responsibilities in living complex'es in Spain such as La Colina.

The main elements and principles are as follows:

3. Need to follow Spanish laws

We must, of course obey the Spanish laws and most importantly the Horizontal Property Act (HPA). The HPA contains all laws pertinent to the standards that must be obeyed when living in a complex like La Colina.

- See link for details; HPA

4. Statutes for La Colina

Our Statutes is an implementation of the HPA as it was formulated in 1981 when La Colina was established, and then updated at an Extraordinary General Meeting (EGM) in 2024.

- See separate document for details; Statutes

5. Policies decided at AGM

Our AGM in 2020 decided on these policies, which must be followed by all. See separate documents listed below for details:

- Systematic Maintenance and Repair Policy
- Mandate for our Committee
- Charging of Electric and Hybrid cars in our garage

6. Board of Owners – our highest decision making body

It is important to notice that the Board of Owners (BoO) is the highest decision making body in La Colina. The Board of Owners convene at least once per year at the Annual General Meeting (AGM). The BoO can also be summoned to an Extraordinary General Meeting (EGM) when there are special needs for an extra meeting at the highest level.

7. AGM / EGM

AGM means Annual General Meeting, and this is where the owners meet at least once per year.

EGM: Extraordinary General Meeting

At the AGM (or EGM), the Board of Owners makes these decisions:

- Approve accounts and budgets, based on input from the Administrator
- Approve projects (if any are proposed)
- Elect/nominate the President, Vice President, Treasurer, Secretary and Committee members

The Board of Owners may also in some situations:

- Review and decide on statutes, rules and policies (if any changes are proposed)
- Review and decide on powers to be delegated to the Administrator (if any changes are proposed)

8. Between the AGMs/EGMs

9. The President

- Represent the complex externally and lead the complex in accordance with laws, regulations, the Statutes of the complex and resolutions in the annual and extraordinal general meetings (AGM or EGM), with the agreed support from the Administrator.
- Summons to meetings with the Committee
- Leads the Committee meetings as a team in line with the Committee mandate (see separate document for details)
- Makes sure meeting minutes are created by the Administrator or the Secretary.

- Conveys decisions and resolutions of the Committee to the Administrator, Person in charge (Janitor) and the Owners.
- Represents the community in the court when relevant

10. The Vice President

- The Vice President will assist the President in any areas required by him or her.
- The Vice President will substitute the President in the event of absence or sickness; the said Vice President will have the same powers and faculties as the President .

11. The Treasurer

- The treasurer will perform an independent review on the financial status of the Community
- Advice the President and Committee about his or her assessment and any actions to consider to improve the financial situation

12. The Secretary

- The secretary will make sure that an agenda and minutes are prepared before and after the Committee meetings
- The above mentioned documents can be prepared by the secretary or in cooperation with the Administrator

13. The Committee members

- The Committee members will contribute as a part of the management team, to make sure the Committee mandate is implemented
- The Committee will work as a team, discussing the problems put on their table and work to find the best possible resolutions together
- The Committee members will take care of specified areas of responsibility, such as:
 - Systematic Maintenance and repair
 - Maintenance of the gardens
 - Cleaning of common areas
 - Health, Security and Environment

14. The Administrator

As per the Horizontal Property Act, article 20, the administrator will:

It is the administrator's responsibility to:

- Ensure the proper management of the house, its facilities and services, and to this end issue appropriate warnings and cautions to the owners.
- Prepare in advance and submit to the Board the plan of foreseeable expenses, proposing the necessary means to meet them.
- Attend to the maintenance and upkeep of the house, arranging any urgent repairs and measures, immediately reporting them to the president or, where appropriate, to the owners.
- Execute the agreements adopted regarding works and make the appropriate payments and collections.
- Act, where appropriate, as secretary of the Board and keep the community's documentation available to the owners.

f. All other powers conferred by the Board.

Practical arrangements on how these tasks are executed may be agreed between the President, Committee and the Administrator.

The Administrator also sends out the summonses to the AGM and EGM with the agenda agreed with the President and Committee, performs registration of the eligible participants and proxy votes. It is usually agreed that the Administrator acts as facilitator and meeting leader at the said meetings.

15. The Obligations of each owner

As per the HPA, article 9, the obligations of each owner are (simplified and shortened version):

- a) **Respect the general facilities of the community** and other common elements, making proper use of them and avoiding at all times that they are caused damage or flaws. Cover any cost related to damage or flaws caused by you or people you are responsible for.
- b) **Keep your own apartment or premises and private facilities in good condition**, in terms that do not harm the community or other owners, compensating for the damage caused by your carelessness or that of the people for whom you must respond.
- c) **Consent to the repairs required in your home or premises by the service of the property** and allow access required for the performance of works, actions or the creation of common services carried out or agreed upon, having the right to be compensated by the community for the damages caused.
- d) **Allow entry to your apartment or premises** for the purposes stated in the three previous sections.
- e) **Contribute to the covering of the individual and common cost:**
 - i) By paying those invoices that are subject to individualization based on your agreed service level and consumption (such as property insurance, water, electricity and gas)

- ii) Contribute, in accordance with the participation fee/coefficient to the general expenses for the proper management, services, operation, maintenance and needed repairs of the property
- iii) Contribute, in accordance with the participation fee/coefficient to the decided reserve fund for the community.

g) **Observe due diligence in the use of the property** and in its relations with the other owners and answer to them for the infractions committed and the damages caused.

h) **Communicate to whoever exercises the functions of secretary of the community**, by any means that allows proof of receipt, the address in Spain for the purposes of summonses and notifications of all kinds related to the community.

i) **Make sure you know and adhere to the house rules (see separate document for details).** Make sure these rules are also known and adhered to by any guests in the respective apartments.
