

**ARTICLES OF ASSOCIATION**  
**of**  
**ASSOCIAÇÃO DE PROPRIETÁRIOS DA QUINTA DA ENCOSTA VELHA**

1. The following shall be the articles of the Association (the “Articles”).
2. In these Articles unless there is something in the subject or context inconsistent therewith:-

<b>“Additional Member”</b>	means any person with a legal, economic, domestic, or social interest in a property or a property fraction in the QEV urbanisation nominated for membership by the owner or co-owner of a property.
<b>“AGM”</b>	means the Annual General Meeting of the Members of the Association.
<b>“Annual Budget”</b>	means the budget of costs approved by the General Assembly in accordance with Article 29.
<b>“APQEV”</b>	means the Association.
<b>“Association”</b>	means the Associação de Proprietários da Quinta da Encosta Velha, a non-profit association created on 3rd October 2011 for an indeterminate time, subject to Portuguese law and the present statutes and with the corporate body number 509 071 244.
<b>“Association Rules”</b>	means the Rules of the Association as adopted, approved and amended from time to time by an Ordinary Resolution of a General Meeting.
<b>“Association’s Website”</b>	means <a href="http://www.qevoa.co.uk">www.qevoa.co.uk</a>
<b>“Camara”</b>	means the Camara of the Municipio de Vila do Bispo.
<b>“Committee”</b>	means any group, or working group, appointed by the Management Board or by resolution of a General Meeting in accordance with Article 28.
<b>“Community &amp; Urbanisation Charge (“C&amp;U Charge”)</b>	means that amount of the total cost of services provided by the Association in accordance with the Annual Budget allocated to each property or property fraction in accordance with Article 25(g).
<b>“Co-owner”</b>	means a person who jointly owns a property or property fraction in the QEV urbanisation with one or more other persons.
<b>“Financial Year”</b>	means the year ending 31 <sup>st</sup> December in any year.
<b>“Fiscal Board”</b>	means the Board hereby constituted under Article 22.

<b>“General Assembly”</b>	means the Members of the Association for the time being entitled to be given notice of, and to attend, a General Meeting.
<b>“General Assembly Board”</b>	means the Board hereby constituted under Article 22.
<b>“General Meeting”</b>	means a meeting of the Members of the Association whether by way of an AGM or otherwise.
<b>“Management Board”</b>	means the Board hereby constituted under Article 22.
<b>“Member”</b>	means a Registered Member or an Additional Member.
<b>“Membership Fee”</b>	means the annual fee for membership of the Association approved at a General Meeting.
<b>“Membership Year”</b>	means a period of twelve months beginning on 1 January in any year.
<b>“Owner”</b>	means a person who owns a property or property fraction in the QEV urbanisation.
<b>“Person”</b>	means a natural person or a corporate legal entity.
<b>“Property fraction”</b>	means an ownership share in a property in the QEV Urbanisation where the legal title to the property is held by another person or entity for the benefit of that person or those people holding that ownership share.
<b>“QEV Urbanisation”</b>	means the land, properties, and infrastructure of Quinta da Encosta Velha development.
<b>“Quarter Share”</b>	means a property fraction equating to a quarter share in the property.
<b>“Registered Member”</b>	means the owner of a property or property fraction in the QEV urbanisation, or the co-owner of a property or property fraction in the QEV urbanisation nominated by the co-owners to exercise the rights set out in Article 12, whose application for membership of the Association has been accepted in accordance with Article 8.
<b>“Statutory Books”</b>	means all records and documents of the Association required, as a matter of Portuguese law, to be created and kept including, but not limited to, minute books and financial records.
<b>“Twelfth Share”</b>	means a property fraction equating to a twelfth share in the property.

In these Articles the masculine gender shall include the feminine and the singular shall include the plural and vice versa.

## **NAME, OFFICE AND PURPOSES**

3. The name of the Association is Associação de Proprietários da Quinta da Encosta Velha (Quinta da Encosta Velha Owners' Association) and the head office is located at Casa Encosta, CP2008-A, Quinta da Encosta Velha, Budens 8650-067.
4. The purposes of the Association are to:
  - a. manage, conserve and maintain the QEV Urbanisation;
  - b. promote and enhance the quality of life on the QEV urbanisation and a sense of community, collaboration, and cooperation amongst owners;
  - c. represent, communicate and defend the interests of Members in any matters or disputes with the developer, or his representative or successors, or with public or private entities, or with individuals when those matters or disputes affect a majority of the Members; and
  - d. monitor and keep under review any planned or proposed development or alterations on the QEV urbanisation, or on Parque da Floresta, or in the vicinity of the QEV urbanisation by the developer, or his representative or successors, or any public or private entity, or any individual.

## **MEMBERS AND MEMBERSHIP**

### **Eligibility and admission**

5. Each owner, or co-owner, of a property or property fraction in the QEV urbanisation, excluding the Grupo Vigia or its successors or assigns, and any person nominated for membership as an Additional Member is eligible to be a Member of the Association.
6. Application for membership shall be made in the manner set out in the Association Rules and the application shall include:
  - a. Details of the property, or property fraction in respect of which the application for membership is made; and
  - b. An electronic mail address and a permanent residential address for each Member for communication purposes; and
  - c. In the case of co-ownership of a property or property fraction where more than one co-owner is applying for membership, the name of the Registered Member appointed by them to enjoy and exercise the rights set out in Article 12;
  - d. In the case of ownership of a property or property fraction by a corporate entity, the name of the person appointed to enjoy and exercise the rights set out in Article 12.
7. A person who owns more than one property or property fraction in the QEV urbanisation may, at his discretion, apply for membership in respect of each such property, or property fraction, or some of them.
8. The Management Board will receive and determine applications for membership in accordance with the Association Rules subject to the right of an unsuccessful applicant to have his application reviewed by the General Assembly Board.

9. Membership of the Association, together with the rights and privileges of membership, is personal to the Member and is not transferable or transmissible.

**Membership fee**

10. The membership fee for each membership year shall be determined by a resolution of a General Meeting on the recommendation of the Management Board.

**Rights and obligations of membership**

11. Each Member in respect of whom the annual membership fee, or such other equivalent fee or charge as may be prescribed in the Association Rules has been paid in full, is entitled to:
  - a. Receive notification of, attend, and participate in General Meetings;
  - b. Receive the accounts of the Association, minutes of General Meetings, and notification of General Meetings and, where there is a direct and legitimate personal interest in a decision taken by a Board or Committee, to require any relevant minutes, reports, accounts or other documents to be produced to him for review upon 28 days' notice of such requirement being given in writing to the Chairman of the General Assembly;
  - c. Be elected to Boards and Committees, in accordance with the Association Rules; and
  - d. Participate in the activities of the Association.
12. Each Registered Member in respect of whom the annual membership fee, or such other equivalent fee or charge as may be prescribed in the Association Rules has been paid in full is in addition to the rights conferred by Article 11, entitled to:
  - a. Vote at a General Meeting or on any other resolution or matter; and
  - b. Require, in accordance with Article 30 and with the support of Members representing at least 10% of the votes which could be cast at a General Meeting, the General Assembly Board to convene a General Meeting.
13. It is the duty of each Member to:
  - a. Assist in the achievement of the purposes and activities of the Association and defend its good name;
  - b. Attend General Meetings wherever possible;
  - c. Respect the Articles and the Association Rules as well as the deliberations and decisions of Boards and Committees;
  - d. Ensure that prompt payment is made of charges and fees due to the Association;
  - e. Notify promptly the Secretary of the Management Board of any change in ownership, email or permanent residential address.

### **Resignation, Termination and Expulsion**

14. A Member may resign from the Association by giving written notice to the Secretary of the Management Board but shall remain subject to any obligations and liabilities to the Association.
15. The General Assembly Board may, by resolution, terminate the membership of any Member who has not paid in full, within six months from the date on which the relevant invoice (or invoices) were issued, the amount invoiced in respect of the annual membership fee and/or the C&U charge.
16. A Member who has resigned in accordance with Article 14 or who has had his membership terminated in accordance with Article 15 but remains eligible for membership of the Association may subsequently re-apply for membership in accordance with Article 6.
17. A Member may be expelled from the Association by resolution of the Management Board provided that he has been given at least fourteen days' notice of the Board Meeting at which the resolution is to be considered and that he, or his representative, is invited to attend and make representations at the Board Meeting.
18. If the Management Board resolves to expel any Member, notice in writing shall be sent to the Member to that effect and the Member may within fourteen clear days from the date of the notice, give notice in writing to the Chairman of the General Assembly Board of his intention to appeal the decision of the Management Board to a General Meeting which shall be convened by the Chairman of the General Assembly Board and which shall have power by a resolution passed by a majority of those attending the General Meeting to confirm, rescind, or vary the Board's resolution. The Member whose conduct is in question or the Member's representative shall have the right to address the General Meeting but shall have no right to vote at the General Meeting.
19. A Member who has resigned, or whose membership has been terminated, or who has been expelled shall remain liable for any and all amounts owed by him to the Association at the date of resignation, termination, or expulsion.

### **Other Sanctions**

20. The Management Board may resolve, where a Member is in breach of the obligations set out in Article 13 or has otherwise prejudiced the purposes of the Association or brought it into disrepute, to impose one or more of the following sanctions:
  - a. Verbal reprimand;
  - b. Written reprimand;
  - c. Suspension from membership for a maximum of 1 year.
21. If the Management Board resolves to impose a sanction, notice in writing shall be sent to the Member to that effect and the Member may within fourteen clear days from the date of the notice, give notice in writing to the Chairman of the General Assembly Board of his intention to appeal the decision of the Management Board to a General Meeting which shall be convened by the Chairman of the General Assembly Board and which shall have power by a resolution passed by a majority of those attending the General Meeting to confirm, rescind, or vary the Board's resolution. The Member whose conduct is in question or the Member's

representative shall have the right to address the General Meeting but shall have no right to vote at the General Meeting.

## **BOARDS AND COMMITTEES**

22. The purposes of the Association shall be pursued, and its business conducted, by and through:
  - a. A General Assembly Board consisting of a Chairman, a Vice-Chairman, and a Secretary;
  - b. A Management Board consisting of a Chairman, a Secretary, a Treasurer and four additional members;
  - c. A Fiscal Board consisting of a Chairman and two additional members;
  - d. Committees appointed in accordance with the provisions of Article 28; and
  - e. Individuals acting with the authority of a Board or Committee.
23. Rules, consistent with the provisions of these Articles, concerning the election, term of office, resignation or termination of membership of members of Boards and Committees; powers of co-option; the filling of casual vacancies; the conduct of meetings and voting; quorum; and any other matters relevant to the operation of Boards and Committees may be included in the Association Rules.

### **The General Assembly Board**

24. The General Assembly Board shall, in accordance with the provisions of these Articles and with any other powers delegated to them by Members in General Meeting:
  - a. Organise and convene General Meetings of the Association and prepare and circulate the agenda and relevant papers;
  - b. Preside over and conduct General Meetings;
  - c. Prepare the minutes of each General Meeting and circulate them to Members;
  - d. Ensure that the statutory books of the Association are kept;
  - e. Ensure that the Register of Members is maintained and updated; and
  - f. Advise and assist other Boards and Committees in respect of the exercise of powers under these Articles.

### **The Management Board**

25. The Management Board, acting in the best interests of Members and in accordance with the provisions of these Articles and with any other powers delegated to them by Members in General Meeting, shall:
  - a. Manage, conserve, and maintain the QEV Urbanisation;
  - b. Manage the funds of the Association;
  - c. Keep the Association Rules under review and propose necessary amendments at a General Meeting;

- d. Prepare, and submit annually to the Fiscal Board for review prior to the Annual General Meeting, a financial report and the accounts for the previous financial year;
  - e. Present for approval at the Annual General Meeting, together with the opinion of the Fiscal Board, a financial report and the accounts for the previous financial year;
  - f. Present for approval at a General Meeting the proposed Annual Budget for the subsequent financial year as the basis for the C&U charge;
  - g. Calculate the C&U charge by reference to the Annual Budget and the Association Rules; invoice and collect the C&U charge; and, where necessary, invoke debt collection procedures to enforce payment; and
  - h. Provide an annual Income & Expenditure Statement, giving an itemised breakdown of the cost of providing services to the QEV Urbanisation for circulation to Members within six months of the end of each financial year.
26. The powers of the Management Board, in managing, conserving, and maintaining the QEV Urbanisation shall include, but not be limited to:
- a. Recommending, invoicing and collecting the annual membership fee;
  - b. Preparing and maintaining a register of Association assets;
  - c. Creating, managing, and applying sinking funds for any purpose on behalf of the Association;
  - d. Recruiting and, managing staff including setting remuneration and terms and conditions of employment;
  - e. Establishing and maintaining appropriate services to the QEV Urbanisation (whether through agreement with the Camara or other public or private body, or through the appointment of a contractor, or contractors, or the direct engagement of staff, or a combination thereof);
  - f. Negotiating and concluding, subject to the approval of the General Assembly, agreements with local or national government bodies or other institutions; and
  - g. Exercising all powers and functions relating to the purposes of the Association not hereby reserved to the General Assembly.

### **The Fiscal Board**

27. The Fiscal Board shall, in accordance with the provisions of these Articles and with any other powers delegated to them by the members of the Association in General Meeting:
- a. Ensure compliance with financial rules and regulations applying to the Association;
  - b. Review and advise on the accounts and financial position of the Association, reporting to a General Meeting as necessary;
  - c. Supervise the maintenance of the financial books and records of the Association; and
  - d. Where necessary, meet jointly with the Management Board to discuss financial matters relating to the Association.

## **Committees**

28. The Management Board or the General Assembly may appoint Committees to discharge specific purposes connected with the Association and, on appointment, shall specify the name, composition, Chairman, reporting responsibilities, and terms of reference of the Committee.

## **THE GENERAL ASSEMBLY, GENERAL MEETINGS AND VOTING**

29. The following powers and functions are reserved to the General Assembly and are exercisable at a General Meeting:
- a. Adoption and amendment of Articles of Association;
  - b. Adoption and amendment of Association Rules;
  - c. Election of Boards in accordance with Association Rules;
  - d. Approval of the Annual Budget and the membership fee;
  - e. Approval of the purposes and strategic direction of the Association;
  - f. Approval of any proposed merger, affiliation, federation or other association with any individual, body, or group or of the proposed disbandment or demerger of the Association;
  - g. Determination of any appeal against the expulsion of a member or the imposition of sanctions under Articles 18 and 20 respectively; and
  - h. Determination of any matter referred to the General Assembly by a Board or Committee.
30. A General Meeting may be convened by the General Assembly Board at any time and the Board shall be bound to do so whenever a requisition is served on the Chairman of the Board in accordance with Article 12.
- 30A. A General Meeting convened by the General Assembly Board may be conducted as an online meeting using video conferencing and/or audio communications technology.
31. Notice of a General Meeting shall be given at least fifteen days in advance and shall specify the place and date and hour of the meeting and the business of the meeting and shall be served on all Members entitled to attend provided that accidental omission to give notice to or the non-receipt of any such notice by any Member or Members shall not invalidate the proceedings at any such meeting.
32. At least one General Meeting, designated as the Annual General Meeting, shall be convened in each financial year.
33. A General Meeting shall be chaired by the Chairman of the General Assembly Board or, in his absence, the Vice-Chairman or, in the event that neither is present, by a Member chosen from amongst the Members present at the Meeting.



34. All decisions taken at a General Meeting shall be taken by resolution requiring a simple majority of votes cast, save for the following matters which shall be taken by resolution requiring a 75% majority of votes cast:
  - a. Termination of the Association;
  - b. Amendment of these Articles;
  - c. Approval of any proposed merger, affiliation, federation or other association.
35. On any matter put to a vote at a General Meeting, the number of votes which may be cast by each Registered Member shall be calculated by reference to the relevant property or property fraction associated with his membership such that a property owned outright will carry twelve votes, a quarter share will carry three votes, and a twelfth share will carry one vote. Rules concerning the casting of votes by Registered Members who own a property fraction in a property where not all owners are members may be included in the Association Rules.
36. Registered Members may vote in person at a General Meeting, or by proxy, or by email notification in accordance with Association Rules.
37. In case of an equality of votes on a resolution put at a General Meeting, the Chairman of the General Meeting shall be entitled to a second or casting vote.
38. The quorum for the conduct of business at a General Meeting shall be twenty Registered Members present at the commencement of such meeting save that if a quorum is not present within thirty minutes after the time appointed for a General Meeting the meeting shall stand adjourned for a further thirty minutes and if a quorum be not then present the business may then be transacted whatever the number of Registered Members present.
39. Rules concerning the convening and conduct of General Meetings, consistent with the provisions of these Articles, may be included in the Association Rules.

#### **AUTHORITY TO ACT**

40. The joint signatures of the Chairman of the Management Board and the Treasurer, or such person or persons to whom general or specific authority may be delegated by them, shall be required to bind the Association in financial or contractual obligations.

#### **FINANCES AND ACCOUNTS**

41. The Management Board shall cause accounts to be kept of the sums of money received and expended by the Association and the matters in respect of which such receipt and expenditure took place and of the assets, credits, and liabilities of the Association and all sales and purchase of goods by the Association.
42. The Management Board shall from time to time cause to be prepared and presented at the AGM such income and expenditure accounts, balance sheets and reports as may be required by Portuguese law. A copy of the accounts (including every document required by law to be annexed thereto) to be presented to the Annual General Meeting shall be sent, not less than fifteen days before the date of the meeting, to all Members entitled to receive notice of the meeting.

### **TERMINATION OF THE ASSOCIATION**

43. The Association may be terminated by operation of law or by resolution at a General Meeting in accordance with Article 34.
44. In the event of termination, the treatment of the Association's assets and liabilities will, to the extent possible under Portuguese law, be determined by resolution at a General Meeting.
45. A liquidator may, subject to Portuguese law, be appointed by resolution at a General Meeting with powers to administer the Association's affairs and complete business outstanding at the date of termination.

### **INDEMNITY FOR DIRECTORS AND OFFICERS OF THE ASSOCIATION**

46. Subject to the provisions of the Statutes, every Board and Committee Member shall be entitled to be indemnified out of the assets of the Association against all losses or liabilities which he may sustain or incur in carrying out Association business and no Board or Committee Member shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Association in the execution of his duties or in relation thereto save where such loss, damage or misfortune is the result of his dishonest, fraudulent or malicious act.

### **GENERAL PROVISIONS**

47. Notice may be given to the Association addressed to the Secretary of the Management Board by email directly or by posting it to the Association's registered office. Notice may be given by the Association to any Member either personally or by sending it to him by email or by post at the permanent residential address last provided to the Association in accordance with Articles 6 and 12. Where a notice is sent by email, service of the notice shall be deemed to have been effected at the expiration of twenty-four hours after the message containing the notice was sent. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, pre-paying, and posting a letter containing the notice and to have been effected at the expiration of forty-eight hours after the letter containing the same was posted.
48. These Articles may be amended by resolution at a General Meeting in accordance with Article 34.
49. The Articles of Association, the minutes of any Board or Committee, the accounts, and any other formal documentation of the Association shall be written in English and translated to Portuguese whenever necessary.