

SEÑORÍO DE ALOHA — EGM (MARCH 2026)

President's Executive Summary

Dear Fellow Owners,

Please find attached the notice convening the Extraordinary General Meeting to be held on **March 5th, 2026**, at the **NH San Pedro Hotel (C/ Jerez, 1)**. I would like to encourage you to attend or vote by proxy, as it is important that the decisions taken reflect the broadest possible consensus.

Señorio de Aloha now faces a decisive moment in its history. After more than two decades of legal, technical, and administrative complexity, we finally have the clarity, professional guidance, and cost visibility required to address **the structural and infrastructure issues affecting our community**.

This proposal is not about enhancement or optional improvements — it is about protecting the safety, legality, and long-term value of our homes. Independent technical assessments confirm that key elements of the buildings — particularly the garages and facades — have reached a stage where comprehensive intervention is unavoidable. At the same time, progressing these works will allow us to advance the regularisation process for the affected buildings, removing a long-standing barrier to licences, mortgages, and buyer confidence.

The plan has been designed to balance technical necessity with financial practicality. Works will be phased over several years, prioritising safety and buildings that can proceed immediately, while providing flexible financing options so owners can choose between staged payments or participation in a community loan.

In simple terms, this programme achieves three critical objectives:

1. Ensures safety and structural integrity across the development
2. Preserves and enhances property values by resolving known defects
3. Brings long-awaited legal certainty to the community

Delaying action will only increase costs, prolong disruption, and risk further deterioration. Approving this proposal allows us to move forward with a clear roadmap, professional oversight, and a fair funding structure. I think it would be very appropriate for a small owner's group to be formed to help with oversight of these important works, please register your interest.

I encourage all owners to review the appendices carefully and participate in the vote. This is a collective decision about the future of our community — one that will shape its condition, reputation, and value for decades to come.

In addition, another important matter for the Community will be discussed: **tourist rentals**. A proposal is hereby presented to adapt the current situation to the applicable legislation, with the aim of balancing the rights of owners who rent out their properties and those who do not. A benefit to the overall community is a 10% uplift in community fees to short-term rental properties that reflects a partial cost recover rather than a punitive charge.

For the purposes of transparency, I confirm it is my intention to vote in favour of both proposals.

John P Riley

President SdA

A) Proposal for Community-Wide Structural & Infrastructure Repairs

1. Proposal Overview

The President proposes the approval of a **multi-year, community-wide repair and refurbishment programme** covering:

- Structural and waterproofing works to **three underground garages**
- **Facade remediation** to all five buildings
- Replacement of **pergolas on floors 4 and 5**
- Associated structural and safety works
- A **complete community repaint** in a contemporary scheme

Cost summaries, timelines, and technical reports are provided in **Appendices A–C**.

2. Development Background & Legal Context

Señorio de Aloha was constructed in 2000 by the General Contractor FCC comprising 250 apartments across five buildings (Triana, Giralda, Doñana, Alhambra, Mezquita).

Only **Triana and Giralda** received full Urban Planning Approval & Building licences.

The remaining buildings were affected by the 1998 planning irregularities, later falling under the **AFO regime**, leaving them suspended in a long-term legal and administrative process.

Key implications:

- Historical demolition orders (5-year validity) **expired in 2010** but this was never certified by the courts
- Only after court certification can full **legal regularisation** commence with Marbella Town Hall Planning Dept
- Certain safety works require **special execution order** pending full regularisation

3. Current Legal & Administrative Status

Regularisation Process (Doñana, Alhambra, Mezquita)

1. Court certification confirming no legal impediments from demolition orders (\approx 6 months)
2. Urban planning and utility service infrastructure regularisation (\approx 2 years)
3. Full building licences anticipated **circa 2028**

Immediate Safety Considerations

- **Triana facade:** Building Licences can be requested immediately
- **Doñana facade:** Special Execution Order required to remove unstable render but does not cover full restoration of the facade

4. Technical Causes of Deterioration (See Attached Technical Report Appendix A)

Independent technical assessments (2024–2025) identify:

- Original **facade design flaws** (terraces metal elements exposed to marine environment)
- Long term **Water ingress** from failed planters and irrigation systems
- Absence of effective **roof drainage**
- **Construction defects** meant inadequate waterproofing of the garages
- Long-term deterioration exacerbated by systemic failure to **optimise annual maintenance**.

5. Scope of Works 2026-2029

5.1 Garage Rehabilitation (Giralda, Alhambra, Mezquita)

- Structural repairs to slabs, columns, beams and walls
- Full waterproofing of the garage roofs located under the gardens & walkways
- Removal and reinstatement of landscaping above
- Ventilation shaft reconstruction to prevent water ingress
- Internal finishing and repainting

5.2 Facade Remediation (All Buildings)

- Removal of terrace/planter perimeter corroded metal supports
- Reconstruction of terrace and planter facades (study of potentially affordable cladding options)
- Installation of non-metallic structural solutions
- Replacement of all corroded metal pergolas (floors 4–5)
- Rationalisation of planter configurations & rooftop drainage

5.3 Additional Works

- Localised structural wall repairs e.g. Doñana garden wall; padel court area walls
- Safety works where required by authorities
- Community-wide contemporary repaint following facade completion

6. Project Governance & Key Professionals

Technical Superior Architect:

Francisco Manuel López Chacón

- Structural diagnostics
- Bills of Quantities and cost plans
- Licensing coordination

Contractor Tendering:

Three firms have priced works using the same BoQ to ensure comparability.

Detailed tender comparisons are in **Appendix B**.

7. Programme Timeline (Indicative)

2026–2027

- Giralda garage works
- Doñana facade safety works
- Full works begin on Triana & Giralda

2028–2029

- Works commence on regularised buildings
- Project completion target: **end-2029**

8. Cost Framework & Timing (Total Cost Approximations - Appendix C)

Cost projections include:

- Construction works
- Professional fees
- Regularisation costs
- Insurance
- Taxes (IVA 10% on construction; Marbella ICIO 4% on construction)
- Contingency allowances

9. Financing Strategy

A mixed funding approach is proposed:

- **Community bank loan (≈10-year term circa 4.8% interest)**
- Optional upfront payments for owners wishing to avoid interest

10. Voting Requirements

Approval requires only a simple majority

Owners may vote in person or via proxy (attached to the call documents).

11. Conclusion

The technical, legal, and financial analyses converge on a clear conclusion:

- The works are **essential and unavoidable**
- Delay will increase costs and risk
- The programme protects **asset value, safety, and legal certainty**

This proposal represents an opportunity to secure the long-term integrity of the community through value preservation. It removes a 21yr veil of legal uncertainty affecting Building Licences, Mortgages, Buyer Due Diligence. Failure to carry out these works will lead to severe reputational damage to Señorío de Aloha.

B) Proposal to update the Community Statutes & Article 5.3 of the Community Regulations relating to Short-term Rentals

1. Additional Article to the Community Statutes

Article 18.1 *Tourist Use Dwellings*

‘The Homeowners’ Association expressly authorizes the use of the private dwellings for tourist purposes, in accordance with the provisions of Decree 28/2016 of 2 February, which regulates Tourist Use Dwellings in Andalusia, and Article 17.12 of the Spanish Horizontal Property Act.’

1.a. Resolution

The General Meeting agrees to empower the Community Administrator/President to maintain & operate a digital register of properties authorised for short-term rentals capable of generating a digital certificate of express authorization to those owners who, in accordance with this resolution and the Bylaws, request to carry out the holiday rental activity.

1. b Resolution

The General Meeting RESOLVES to expressly authorize the President, with the assistance of the Secretary-Administrator, to formalize the resolutions: Article 18.1 and 1.a in a public deed before a Notary and to carry out any actions necessary for its registration with the Land Registry, for all appropriate legal purposes.”

2. Update to the Community Regulations: ANNEX5.3-

ADDITIONAL REGULATIONS APPLICABLE TO OWNERS & TENANTS CONCERNING SHORT-TERM RENTAL PROPERTIES.

Article 1:

Owners who rent/loan out their properties are required to **submit FORM A 'SdA-Declaration of Apartment Use'** (<https://forms.gle/SNasLUNbDvr3mvJ2A>) to the Community Administrator. A resubmission is required upon change of any of the details therein. In the absence of the submission of Form A, or a valid Tourist Licence from Junta de Andalucía (VUT) and a valid Numero de Registro de Alquiler (NRA) number from the Property Register requested therein, & where the administration has doubts about an 'Apartment Use', the Administrator reserves the right to contact the Authorities for clarification under the authority bestowed by the Owners. If it remains clear that an apartment is being rented out short-term, without having submitted Form A, the owner is considered to be in breach of these community rules.

On the basis of the Form A submissions, the Community Administrator shall maintain a public **register of properties authorised for short-term rentals** (<https://docs.google.com/spreadsheets/d/1TaRIHA3ymx7OKpDNXxJZTQeDtXJfpxRs2Cl6-IDFWWU>). In particular, said register will be available for consultation to the local registrar for the purposes of determining whether to issue/revoke an NRA or for any other similar purpose. Any properties not included in said register are expressly not permitted by the SdA community to be rented out on a short-term basis.

Every property on the register shall incur an additional charge of 10% of the current annual community fees, due with the third quarterly payment of said fees each calendar year. This is intended to cover extra costs to the community in allowing short-term rentals and, where possible, provide additional services to minimise any potential negative impact on other residents, including but not limited to the possibility of additional security staff during peak rental season.

Article 2:

At the discretion of the President/Administrator, the community reserves the right to report to the civil authorities and/or pursue the revocation of any rental license granted to properties which are not compliant with the Señorío de Aloha Community Regulations and/or the currently applicable Andalusian and/or national legislation. In the event of a property/owner being found to be non-compliant, the owner shall first be notified accordingly by the Community Administrator and issued with a deadline of at least one month in order to restore and/or demonstrate compliance. Failure to do so will result in the immediate removal of said property from the register of Article 1(ii). At a later date and upon restoring and/or demonstrating compliance, the owner may re-apply to the Community Administrator for the property to be (re-)included in the register of Article 1(ii).

Article 3:

The SdA community shall regularly, and at least annually, publish the percentage of properties which are declared as rented as per their inclusion in the register of Article 1(ii).

The SdA association of Owners reserves the right to refuse the issuance of new rental licenses in case the percentage threshold agreed by the Association will be exceeded. Said threshold shall be decided based on the Article 1(ii) register, & any other information pertaining to the number of rental properties in SdA.

Article 4:

All SdA Community Regulations shall be published in printable form or digitally downloadable (e.g. displayed QR code) in the property. Owners must make every effort to ensure their guests do not violate the regulations, especially whilst in the common areas & facilities of SdA. This article does not exclude the requirement for Owners to make available other mandatory information as demanded by the relevant authorities.

Article 5: Tenant Behaviour:

Tenants/guests must remove all their waste to the public containers provided outside SdA. Under no circumstances can waste be left outside apartments or in common areas. Disposing of baby wipes & cosmetic cleansing pads in apartment toilets has been known to block SdA sewer pipelines & is strictly prohibited. Owners are encouraged to place signage in their bathrooms to discourage this practice.

Swimming Pool rules are displayed at the pools along with the hours of opening & these must be strictly adhered to.

No disturbances inside or outside of apartments are allowed between 22:00-08:00. Non adherence will involve the police after reasonable warning has been given.

Using private parking spaces of other owners is strictly prohibited without their permission

Article 6: Landlord Behaviour:

Occupancy overnight must not exceed the quota specified in the Tourist Licence, which must be consistent with the Nota Simple of the property.

In the interest of avoiding party revellers & their reputation for disturbing the peace of the community, no property shall be available for rentals or advertised as such for less than 3 consecutive nights.

No property shall include means for relaying and/or recording images, video or audio of SdA community areas outside the property. Any such relaying and/or recording within the property itself must comply with local and national law.

With security and the rights to non-disturbance of all residents in mind it is the owner or their agent's responsibility to fulfil the mandatory requirement to register all tenants with the Interior Ministry's database.

Article 7:

Owners will be charged cleaning & repair costs for any damage caused by their tenants to community property. Similarly, an additional fee of 10% of the current annual community fees will be charged to any owner on the occurrence of three or more disturbances involving their tenants under Article 5 in any given calendar year. If the owner doesn't pay voluntarily, the cost will be added to their community account as a debt. Any property having an outstanding debt, for this or any other reason, shall be deemed to be non-compliant with these regulations for the purposes of Article 2.

Article 8:

In light of historic problems caused by tourist's groups generally referred to as "Bachelor or Hen parties", best efforts should be used by owners & their agents to restrict rentals to family groups.

Article 9:

Any property being used for short-term rentals must have adequate liability insurance covering the activity and potential damage to guests and third parties as required by local and national law, especially Decrees 28/2016 and 31/2024.

Article 10.

No commercial listing can describe SdA as a 'Apart Hotel' or words to that effect that imply the community is anything other than a privately owned residential community.