**JUNTA GENERAL ANUAL DE LA COMUNIDAD DE PROPIETARIOS LOS EUCALIPTOS**

In Benahavís, on the 12th February 2011 at 10.30.-hrs, the Annual General Meeting of the Residencial Los Eucaliptos Community of Owners commences in the NH Express Hotel in San Pedro de Alcántara in second call, not having enough quorum in first call, having previously been convened as established by the law 8/99 of the 6th April 1999 of the Horizontal Property.

The session starts with the follows attendants:

| **PRESENTS** | **COEFFICIENTS %** |
|---|---|
| Mr. Bowden, Bl. 3-4, G.10 | 1,0353% |
| Mr. Willem Van Der Molen, Bl.3-6, G.13, T.17 | 1,138% |
| Mr. Mark Gedopt & Mrs. Danielle Jansens, Bl.5-6,G.21,T.29 | 1,143% |
| Mr. & Mrs. Harrison, Bl. 7-1, G.38, T. 39 | 1,214% |
| Mrs.Eva Benavides, Bl.7-4, G.48, T. 40 | 0,976% |
| Mrs. Nicola Vieira Rodrigues, Bl.7-6, G.47, T. 41 | 1% |
| Mr. Alan. Ayres, Bl. 8-3, G.43, T. 45 | 1,261% |
| Mr. & Mrs. Menon, Bl. 9-5,G.52, T.53 | 0,96% |
| Mr. William Rees Bl.10-1,G.55,T. 57 | 1,027% |
| Mr. Etienne Dreesen, Bl.10-5,G.57, T. 59 | 1,01% |
| Mr. José León, Bl.11-2, G.61 | 0,935% |
| Mr. Thomas Cook, Bl.11-5, G.60, T. 65 | 1,166% |
| Mr. Ramón Rodríguez, Bl.12-4, G.64,T. 68 | 1,069% |
| Mr. José Castellano Bl.13-3, G.63 y 93, T. 7 | 1,020% |
| Mr. Francis Whelan, Bl.13-5, G.79, T. 79 | 0,995% |
| Mr. Daniel Bóveda, Bl.15-4, G.87, T.82 | 1,106% |

Habisben Services, Administrator represented by Mr. Carlos Díaz & Mrs. Ana Muñoz; and the attendant of Mrs. Ana Espinosa.
Mrs. Amparo collaborates translating this meeting.

| **TOTAL VOTES COEFFICIENTS PRESENTED** | **17,0553%.** |
|---|---|

| **OWNERS DULY REPRESENTED** | **COEfFICIENT %** |
|---|---|

- Mr. Thomas Rees, represents to the following owners

| | |
|---|---|
| Mr. Scaife, Bl.2-6, G.7, T.9 y 12 | 1,018% |
| Mr. Per Johansen, Bl.3-3, G.26 | 0,906% |
| Mr.. Lawson, Bl.4-1, G.24, Trast.21 | 1,273% |
| Pallet Fstighetsförvaltining I Linköpin, Bl.5-1,G.19, T.27 | 1,445% |
| Mr. Ole Hansen y Sra. Vera Westlesen, Bl.5-3, G.23, T. 25 | 1,2451% |

| | |
|---|---|
| Mr. & Mrs. Holt, Bl.5-5, G.20, T.28 | 1,154% |
| Mr. & Mrs. Williams, Bl. 8-6, G.41, T. 47 | 1,159% |
| Mr.Mohamed Lotfy & Mrs. Mercedes Gómez B.9-4,G.53,T. 49,50 y 55 | 1,317% |
| Mrs. Jannette Woodhouse & Mrs. Lynn Jackson, Bl.9-6, G.51,T. 54 | 1,16% |
| Mr. Nicholas Williams & Mrs. Jane Coglan, Bl.10-4, G.74, T. 56 | 0,896% |
| Mr. & Mrs. Stuart, Bl.11-4, G.73, T. 64 | 0,978% |
| Mr. &Mrs. Mc Donnell, Bl. 11-6, G.59, T. 65 | 0,972% |
| Mr. & Mrs. Hough, Bl. 14-5, G.80, T. 77 | 1,17% |
| **TOTAL VOTES REPRESENTED BY MR. REES** | **14,6931%** |

- Mrs.Laura Martínez, represents to the following owner:

| | |
|---|---|
| Mr. Fco. Javier Peco Moreno, Bl.12-5,G.66,71, T.71 | 1,231% |
| **TOTAL VOTE REPRESENTED BY MRS. LAURA MARTINEZ** | **1,231%** |

- Mrs. Ana Muñoz, represents to the following owner:

| | |
|---|---|
| Mr. Shamil Naoum, Bl.7-3,G.46, T. 37 | 1,094% |
| **TOTAL VOTE REPRESENTED BY MRS. MUÑOZ** | **1,094%** |

- Mr. Alan Ayres represents to the following owners:

| | |
|---|---|
| Mrs. Shona Staunton, Bl.8-1, G.45, T.43 | 1,3961% |
| Mr. & Mrs. Sonuga, Bl.8-4, G.44, T.46 | 1,1% |
| Mr. Alan Harris & Mrs. Susan Harris, Bl.9-2, G.76, T. 52 | 1,336% |
| **TOTAL VOTES REPRESENTED BY MR. AYRES** | **3,8321%** |

- Mr. Peter Harrison representa al siguiente propietario:

| | |
|---|---|
| Mr.Jeremy Gordon & Mrs. Lynn Thompson, Bl.7-5, G.37, T.42 | 1,165% |
| **TOTAL VOTES REPRESENTED BY MR. HARRISON** | **1,165%** |

| | |
|---|---|
| **TOTAL VOTES PRESENTS OR REPRESENTED……** | **40,3015%** |

## AGENDA

1. President's report.
2. Presentation and approval of the accounts 2010.
3. Approval of the budget from 1st January until 31st December 2011.
4. Election of President and Vice-Presidents for 2011.
5. Election of Administrator for 2011.
6. Approval for debtors list and action to be taken.

7. Approval for painting company and schedule for the painting works, starting in spring-summer 2011 by the iron structures.
8. Approval to go on with the rubbish service, collecting it as until now, by the gardeners in each block in the Community.
9. Date for next AGM.
10. Any other business

## 1.- PRESIDENT'S REPORT

Mr. Carlos Díaz, starts the session thanking the assistance to the presents and reporting the recount of votes presents and represented.

Mr. Díaz, then address the meeting to Mr. Ayres Vice-President in charge, who in behalf of the President, will explain a few issues in the Community.

I thank all of you for your assistance, 2010 has been a year of great improvements and good results, as showed:

In May, we changed the cleaning service company and the new one is still working for us. We have kept prices under control and rise as quoted for 2010.

Our gardening cost is below the budgeted and Administration services have not increased, we are achieving great improvements with a high quality level. The Administration is negotiating with different companies trying to get lower prices. As changing the bank account from Banca March to CAM who has lower commissions, and now we are looking for better options for the insurance Company.

In 2010 we can appreciate that the water consume charge is lower that budgeted, and the reason is due to the reception of the invoices which arrived in 2011 when 2010 financial year was closed.

The EUC Aguilares approved a budget for 18 months, we ha a coefficient of 20,8% calculated in base to the total of the Community. The reason to approve the budget for 18 months that when they close their financial year, it will coincide with our Annual General Meeting and then our budget will be more exact and not an estimate. There has been a surplus related to the previous year of 5.841€.

Regarding Debtors, actions have been taken to reduce them, one of the properties have been allocated to a Bank. They have only paid the debt corresponding to the last two years with the 20% interest for late payment. The rest of debts approved last year are in process. The debt in June was about 24.000€ and excluding the painting fees, it has got down more than 10.000€. It has achieved great progress and hope to reduce it more.

We have tried to inform neighbours sending periodicals mailings. Another one will be sent after this meeting.

This year we have supported an expense from 2009 for electrical supply for 13.000€, which means that the actual cost for this year is lower.

It was established a painting fund, and today it will be decided which company will make the works.

We have initiated a lawsuit against an owner who installed a Jacuzzi in the terrace, he asked authorisation and it was denied in the last Annual Meeting, we await the judicial review in shortly and will proceed to recover the expensed amount for solicitor, lawyer and architect technician report cost.

Today, we are discussing as well the budget for 2011, the amount is similar to that one budgeted in 2010, if we take into account the annual increase for the IVA and IPC about 3%, we can notice that contract have been negotiated without the mentioned increase.

2010 has been a great year, and now here it is 2011.

## 2.- P PRESENTATION AND APPROVAL OF THE ACCOUNTS 2010.

Mr. Díaz informs to the presents that it was sent a balance sheet and a report with all expenses and its evaluation.

## CLEANING: 21.796,51€

The cleaning service company Limborlast finished its contract in April 30th, and the new company, Limpiezas Gutierrez started in May 1st until the end of December. There has been a difference in budget of 47,51€ corresponding to the hygienic paper in toilets that was not included in the contract.

## GARDENING: 42.315,34€

The gardening company who works for us is RONDAMAR. The cost for the gardening and pool maintenance is 42.120€, included the undergrowth collection by a lorry from its stock area and taken it to the environmental centre in Ojen, as by law it must be threw away in a recycling plant. This year we have used this service just 1 time, and the budgeted was for 2 more services.

There is a surplus of 284,66€.

## ADMINISTRATION: 13.376,04€

Surplus of 115,96€.

## GENERAL MAINTENANCE: 39.723,35€

A) **Reparaciones eléctricas, fontanería y de riego: 8.018,93€**

In this entry we are including the following expenses:

- Fortnightly total inspection in the electricity installations of the Community from January to March, and weekly from April to December, including extra services when the case from Monday to Friday done by Habisben: 4.287,45€.
- Reparation broken of plumbing system, hoses, electro-valves, pool balling pump reparation in Fase I swimming pool, new tap in the shower swimming pool area, new irrigation system in the garden in front blocks 1 to 3. Total cost plumber: 1.802,17€.
- SKY box reparation in blocks 7 and 11 included new wires, Astrad and aerial fixing and TDT signal in all blocks, new emplacement for the general communal aerial. Total cost 639,98€.
- Video Entry Phone camera and electro locker in entry doors: 834,41€.
- To put springs in entrance pedestrian doors, leaving doors closed, access stone path and tiles on stairs block I reparation, garage door Fase I reparation. Total cost 454,92€.

Deficit of: 2.018,93€, due to the extra reparations we have made during the year.

**B) Gastos de materiales: 2.367,92€**

- Electrical material ordered by the maintenance company to replace lamps in buildings, parking and communal areas: 1.095,95€.
- Bin liners for the rubbish bins installed in each block: 515,20€.
- Purchase swimming pool stairs Fase I broken by rust: 353,80€.
- President telephone expenses: 250€.
- Rats poison, works sign lining, key copies, lockers keys, skimmer pool door, lubricate spray for garage doors, pool gratin drain, internal rules note lamination, and land registered report: 162,97€.

Deficit of: 815,46€.

**C) Lift Maintenance: 29.336,50€.**

Deficit of: 236,50€ corresponding to the VAT increase up to 18% from July 2010 as it was not included in budget.

**SUPPLIES: 33.906,19€**

**ELECTRICITY: 16.487,98€**
Deficit of 487,98€, due to the considerable increase in the cost of electricity in the last months.

**ELECTRICITY SERVICE FOR LIGHTING AT 2009: 13.037,03€.**
During the year 2009, the meter reading for the public lighting was estimated, after claiming to the electrical company, in June 2010 was made the real reading consumed and the above mentioned amount was fractionated in several monthly payments.

**WATER: 3.526,88€**
This expense includes the contract and meter reading from April to July for all general consume meters in the Community (not the private ones for each apartment), we have not received the bill for the period July to December yet. Water consume from January to March has not been read by the water supply company, then, it is seems there is not consume before April.

Surplus of: 7.473,12€.

**TELEPHONE EXPENSES: 854,30€**
We have 4 telephone lines contracted for the 15 lifts, it must be paid a minimum per line and any consume for emergency phone calls when the lift is not working.

Surplus of: 145,70€.

.**GENERAL EXPENSES: 43.385,08€**

**BANK COMMISIONS: 578,70€**
The Community has now a bank account at Banca March and the new one which was opened at CAM, we have left opened Banca March for a period with not activity (which means No Expenses)just in case any neighbour has transferred any fees, these expenses are coming from CAM and represents the commissions for checks incomes, bank transfers for paying to suppliers and remittance for collection.

Deficit of: 278,70€.

**AGM OWNERS' EXPENSES: 231,54€**
NH San Pedro Hotel meeting room and translator fees in February 2010.

Deficit: 1,54€.

**LAWYER AND ATTORNEY FOR LAWSUIT INCLUDED EXPERT OPINION: 2.000€**
Lawyer and attorney cost for the Community lawsuit against B3-6 owner for the Jacuzzi's installation.

**COMMUNITY INSURANCE: 6.849,80€**
Reale is the insurance company; we will look for better economic options when it expires.
Deficit of: 49,80€.

**EUC LOS AGUILARES: 33.725,04€**
In this entry, related to the budget, we have saved. The EUC budget is from July to June for a period of one year, and our was approved in February, that is the reason it was estimated related to the previous year; from 2010 the EUC budget will be from January to December, then, we could adjust our budget to the real expense.
Surplus of: 571,96€.

**TOTAL EXPENSES 2010 FINANCIAL EXERCISE: 194.502,51€**

**BUDGET DEFICIT: 1.234,51€**

Mr. Díaz wants to remark that the extra expense appearing in the invoice received from the electricity company in 2010 is because they have done estimates readings instead of actual ones, then, it is much better to make the corresponding claim in order to avoid a higher surcharge when in the future, the electricity company makes their inspection and could realized that the readings have been estimates and not actual ones. It has happened in other communities and due to the long time passed, the debt has increased considerably.

In reference to the water supply, Mr. Ayres remarks that this is not an actual expense, as invoices corresponding to the last 6 months of 2010 were not received in 2010, and then it was not possible to have an actual reading up to December 2010.

Mr. Van der Molen, ask for explanation where is the reserve fund in the expenses. He was informed that as expenses were over the budgeted, the reserve has been used to electricity entry outstanding from 2009.

It was proceed to vote resulting as follows:

Votes against: Non
Abstentions: B12-4 y B12-5, two votes with a total coefficient of 2,3%.
Votes in favour: Rest of attendees and represented with a total coefficient of 36,7705%.

The accounts for 2010 exercise were approved unanimously.

## 3.- APPROVAL OF THE BUDGET FROM 1ST JANUARY UNTIL 31ST DECEMBER 2011

Mr. Díaz explains that budget proposal have been sent for this year included the painting reserve fund of 40.000€ and 1.500€ for the purchase of plants and sun-beds as a few of them are much deteriorated.

It was reported to attendees that we have received a quotation from the lift maintenance company Shcindler for about 19.000€ yearly. It was negotiated with the present one Otis to reduce 15% and to observe the annual IPC, being the annual amount quotation from Otis 25.000€, savings would be around 6.000€. After our meeting with Shindler, they have guarantee us that maintenance will be the same, and in case of grave incidence like any broken mechanical piece not included in the maintenance contract, they would replace it for a model as similar as possible to the original one. The difference will be only in that external piece which needs to be replaced like a button in the panel as each company have theirs homologated

Mr. Bóveda explains that with the difference in prices, we should make the change immediately and also we could negotiate more discounts if we make the contract for some years. He thinks that it has been paid an excessive price for five years and now is time to change.

Mr. Ayres propose the approbation of the present budget and delegate the decision for the best option to the board of director.

Mr. Rodriguez considers that it should have to be approved in the present meeting by all owners, not only by the committee.

Mr. Díaz mentioned that the existing contract with Otis is for 10 years and still has not reached, if another company is approved, the former company could claim compensation.

On the entry of the 40,000 € some neighbours disagree, consider that it is not the time for another extra expense. Other neighbours say that studying quotations sent by other paint companies, we would have to make a prevision for the next years.

It was decided to postpone this item for discussion at point number 7 of the approval of the paint companies depending on the amount we are talking about.

It was proceed to approve the budget by changing the lift maintenance company to Schindler with the consequent adjustment in the budget taking into account that Otis has been paid until 31 March.

It was adopted unanimously and it will be sent to the neighbours the budget with final changes.

## 4.- ELECTION OF PRESIDENT AND VICE-PRESIDENT FOR 2011

Both, the President, Mr. Rees and the Vice-President Mr. Ayres, manifest their wish to go on presents charges, there is not any other candidature, then it was proceed to vote as follows:

Votes against: None

Abstentions: B12-4; B15-4, two votes with total coefficient 2,175%.

Apartment, B12-5 dissent the vote with a coefficient 1,231%.

Rest of presents and represented vote in favour with a total coefficient 35,6645%

It was approved the following charges unanimously:

President: Mr. William Rees
Vicepresident: Mr. Alan Ayres.

## 5.- ELECTION OF ADMINISTRATOR FOR 2011

Habisben Services presents its candidature to renew its charges, no other proposal is suggested.

Mrs. Martínez wants to comment that we cannot vote for an administration that believes it has neglected in reference to the claim of the debtors in courts, it have not been initiated any action by the community and this delay affects seriously the interests of the community.

Mr. Díaz explains that maybe there has been a misunderstanding, as he can show where the lawsuit was initiated, as happened with Mrs. Xena Willians, which property has been adjudicated by the bank, it was initiated lawsuit monitory trial number 1347/2008, and starting execution of judgement committal number 153/2010 in court of first instance number 4 in Marbella, which will go on execution for the different existing related to payments made by the bank.

After a large debate, some neighbours claim because we are addressing debtors matters that will be discussed in the next item of the agenda, that we have to proceed to vote the present item as follows:

B12-5 vote against and after dissent her vote.
Abstentions: B12-4 & B15-4, two votes with total coefficient 2,175%.
Rest of presents and presented vote in favour with total coefficient 35,6645%.

It was approved unanimously Habisben for Administrator at the Community.

## 6.- APPROVAL FOR DEBTORS LIST AND ACTION TO BE TAKEN

Debtor list was sent attached to the call to the meeting, since then, it has been reduced to the total amount of 18.655,62€, from which 13.298,51€ are ordinary fees and the rest reserve paint funds. Debt will be increased 20% for delay approved in General Meeting.

After votes it was approved unanimously debtors list up to 31st December 2010 for the amount of 18.655,62€, the President and the lawyer appointed by him were authorised empowerment of notaries for legal actions to claims debts.

## 7- APPROVAL FOR PAINTING COMPANY AND SCHEDULE FOR THE PAINTING WORKS, STARTING IN SPRING-SUMMER 2011 BY THE IRON STRUCTURES

Mr. Díaz comments that after the last Extraordinary Meeting where it was approved the reserve fund for painting for the amount of 40.000€, the Community have

obtained different quotations brought by owners. Copies of quotation and technical characteristics with the kind of paint have been sent to all owners. It was summarized in an file where appear the name of the Company and the mentioned quotations.

In the last meeting was decided to paint the irons this year starting with a painting fund for the amount of 40.000€, but the question is the company to contract for it.

Mr. Ayres propose that as we have a few quotations, it should be ruled out those over 135.000€, as it was the proposed amount for the total cost.

Mr. Rodríguez proposes that at the moment, it could be approved a company to make the painting iron works, and when starting to paint the rest, to look for others quotations, as now we are studying prices at the present, but it could be increased in two or three years when it is decided to paint.

Mr. Menon is agreeing with Mr. Rodríguez and proposes for the moment, to approve the company for the irons works.

A committee was organized to carry on with this commitment and they will decide which painting company will make the irons works, they have quotations and following the same line in characteristics, they will choose the best option, obviously it does not have to be the most economical.

Mr. Van der Molen, has a great experience in painting sector in his country and offers his help as much as possible to advice us for the best option.

Mr. Van der Molen, Mr. Leon and Mr. León and Mr. Bóveda are choosing the best option for the Community and making a recommendation to the President within one month of this AGM.

Mr. Van der Molen and Mr. Bóveda comment that the promoter does not finished yet the reparations works for cracks and damps, that it will be reasonable do not to paint facades before they have finished it.

Mr. Ayres explains that there are still outstanding works to be done by the developer, they have done a some of them but not finished yet, anyway the developer will fix cracks but not paint for all the walls, as this is a Community maintenance matter and he believes that if we had made a reserve fund for painting when it was presented to boards years ago, now the amount would be smaller, as we are talking about a considerable amount to charge it in just one year.

Mr. Whelan agrees with Mr. Ayres to approve a yearly reserve fund to afford the mentioned cost.

It was proceed to vote firstly that the committee composed by Mr. Van der Molen, Mr. León and Mr. Bóveda, ask for information to painting companies choosing the best option for the Community. It was approved unanimously.

Later on, it was discussed the reserve fund to be approved this year 2011 and neighbours decided an inferior amount to be applicable pendant 4 years, 25.000€ per year, excepting this year that will be 25.000€ discounting the difference of 40.000€ collected in 2010 and the cost for iron painting works, resulting as follows:

| | |
|---|---|
| 2010 | 40.000€ Approved and collected. |
| 2011 | 25.000€ discounting (difference between 40.000€ and iron painting works cost)= amount of the painting fund for 2011. |
| 2012 | 25.000€ |
| 2013 | 25.000€ |
| 2014 | 25.000€ |

It was proceed to vote and approved unanimously, quarterly fees for April-Julio and October-December 2011 coinciding with the ordinaries fees once we have the total quantity for this year's reserve fund.

**8.-APROVAL TO GO ON WITH THE RUBBISH SERVICE, COLLECTING IT AS UNTIL NOW, BY THE GARDENERS IN EACH BLOCK IN THE COMMUNITY**

Mr. Díaz explains that in this item of the meeting we are going to decide if the Community will go on with this service, or each neighbour will have to deposit their rubbish outside the community. The main reason is that the municipality forbid when rubbish is deposited in bins out of the timetable from 21,00p.m. to 23,00p.m. being punished. The Administration wishes to advice this situation to neighbours.

Mr. Rodríguez explains that he works as police at Marbella and normally before to fine this kind of actions, they use to draw the attention to avoid the fine, in this case to the gardener or to the Community.

Most of the neighbours agree to continue with the same service than until now.

It was proceed to vote and approved unanimously to continue with the same service collecting rubbish than until now.

**9.-DATE FOR NEXT AGM.**

The Administration proposes to hold the meeting around mid February, as every year.

Mrs. Martínez exposes that it will be more advisable to hold it in summer when a bigger number of neighbours are here in the residential.

It was approved unanimously to hold the Meeting next February 11th 2012 with B12-5 vote against.

**10.-OTHER BUSINESS .**

Mrs. Martinez wants to be approved that each owner has a limited number of proxies.

Mr. Díza explains that it cannot be approved in the present meeting as it is not included in the agenda, but it could be included as a item in the agenda for the next annual meeting.

There being no further items to discuss, and thanking the assistance to all the presents, this meeting concludes at 13.30.-hrs.

President Secretary-Administrator