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EXTRA ORDINARY MEETING OF THE RESIDENCIAL LOS EUCALIPTOS COMMUNITY OF OWNERS

In Benahavis, on the 25th June 2013 at 17.30p.m., the Extraordinary Meeting of the Residencial Los Eucaliptos Community of Owners commences in the NH Express Hotel in San Pedro de Alcántara , not having enough quorum on 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	**COEF %**
Mrs. Ann Porter, Bl.2-4, G.30, T.7	0,970%
Mr. Grahan Francis Bowden, Bl.3-4, G.10	1,0353%
Mr. & Mrs. Van der Molen, Bl.3-6, G.13, T. 17	1,138%
Mr. Raymond Coyle, Bl.5-2, G.22, T.30	1.246%
Mr. Ole Hansen & Mrs. Vera Westlesen, Bl.5-3, G.23, T.25	1,2451%
Mr. Holt, Bl.5-5, G.20, T.28	1,154%
Mrs. Margareth Harrison, Bl.7-1, G.38, T.39	1,214%
Mrs. Lynn Patricia Thompson, Bl.7-5, G.37, T.32	1,165%
Mr. & Mrs. Harris, Bl.9-2, G.76, T.52	1,336%
Mr. William Thomas Rees, Bl.10-1, G.55, T.57	1,027%
Mr. José Luis Martín Ramos, Bl.11-3, G.62, T.61	1,083%
Mr. Ramón Rodríguez, Bl.12-4, G.64, T. 68	1,069%
Mr. Derek Cane, Bl.13-6, G.78, T.74	1,133%

Ms. Ana Muñoz as Administrator & Ms. Ana Espinosa as assistant.
Mrs. Patricia Vallejo as traductor.

TOTAL COEFFICIENTS VOTES PRESENTS:	**14,8154%**

OWNERS DULY REPRESENTED	**COEFFICIENTS %**

- Mrs. Lynn Patricia Thompson, represents to owner:

Mrs. Shona Staunton, Bl.8-1,G.45, T. 43	1,3961%
TOTAL COEFFICIENTS VOTES REPRESENTED BY MRS. THOMPSON	**1,3961%**

- Mr. Coyle, represents to owner:

Mr. Ralf Bodenehr, Bl.4-6, G.15, T.24	1,165%
TOTAL COEFFICIENTS VOTES REPRESENTED BY MR. COYLE	**1,165%**

- Mr. Harris, represents to owners:

Mr. & Mrs. Lavery, Bl.3-1, G.11, T.15	1,062%
Mr. & Mrs. Ayres, Bl.8-3, G.43, T.45	1,261%
Mr. & Mrs. Sonuga, Bl.8-4, G44, T.46	1,100%
Mrs. Jannette Woodhouse & Mrs. Lynn A. Jackson, Bl.9-6, G.51, T.54	1,160%
TOTAL COEFFICIENTS VOTES REPRESENTED BY MR. HARRIS	**4,583%**

- Mrs. Vera Wetlesen, represents to owner:

Mr. Per Johansen, Bl.3-3, G.26	0,906%
TOTAL COEFFICIENTS VOTES REPRESENTED BY MRS. WETLESEN	**0,906%**

- Mr.Ramón Rodríguez Morilla, represents to owner:

Mr. Andrés Roldán, Bl.9-3, G.50, T.51	0,930%
TOTAL COEFFICIENTS VOTES REPRESENTED BY MR. RODRIGUEZ	**0,930%**

- Ms. Ana Muñoz, represents to owner::

Mr. & Mrs. Elliot, Bl.2-5, G.6, T.11	1,138%
TOTAL COEFFICIENTS VOTES REPRESENTED BY MRS. MUÑOZ	**1,138%**

- Mr. Thomas Rees, represents to owners:

Mr. & Mrs. Beijerbergen, Bl.2-1, G.29	1,235%
Mr. & Mrs. Scaife, Bl.2-6,G.7, Trasteros 9 y 12	1,018%
Mr. & Mrs. Van Den Bosch, Bl.3-2, G.27, Trastero 14	1,257%
Mr. Pallet Fastighetsförvaltining, Bl.5-1, G.19, T.27	1,445%
Mrs. Danielle P. Janssens, Bl.5-6, G21, T.29	1,143%
Mr. & Mrs. Underwood, Bl.6-6, G.33, T.35	1,159%
Mr. & Mrs. Skarland, Bl.9-1, G.54	0,880%
Mr. Mohamed Lotfy & Mrs.Mercedes GómezB.9-4,G.53, T..49, 50 y 55	1,317%
Mr. & Mrs. Hay, Bl.9-5, G.52, T.53	0,960%
Mr. Nicholas Williams & Mrs. Sra.Jane Coglan, Bl.10-4, G.74, T. 56	0,896%
Mr. Ettienne Dreesen & Mrs. Fabienne Vanoordbeek, Bl.10-5, G.57, T.59	1,010%
Mr. & Mrs. Stuart, Bl.11-4, G.73, T. 64	0,978%
Mr. & Mrs. Cook, Bl.11-5, G.60, T. 65	1,166%
Mr. Derek Cane, Bl.13-6, G.78, T.74	1,133%
Mr. & Mrs.Mackay, Bl.14-2,G.89, T. 78	0,968%
TOTAL COEFFICIENTS VOTES REPRESENTED BY MR. REES	**15,432%**

Owner who has sent their own proxy vote:

Mrs. Jean Coyle, Bl.5-2, G. 22, T.30 1.246% (this coefficient is not included in the total as it was recorded in the presents votes by Mr. Raymond Coyle)

Ms. Nicola Vieira Rodrigues, Bl.7-6,G.47,T.41 1%

Mr. Francis Whelan & Mrs. Nicola Smith, Bl. 13-5, G.79, T.79 0,995%

TOTAL COEFFICIENTS VOTES PRESENTS O REPRESENTED…..…….. 42,3605%

AGENDA:

1. To approve an extra fee of 38.230€ (Thirty eight thousand two hundred thirty Euros) to restore the Community's finances and to be paid during 2013 in two quarters, July and October.

2. To approve a change of date for the next Annual General Meeting from 8th February 2014 to 15th March 2014.

The votes of attended and those represented having been counted the meeting was opened.

Mr. Rees, President of the Community welcomed the attendees and explains the reason he called this Extraordinary Meeting as due the financial situation of the Community, we cannot pay the pending and future payments we have. He introduces Mr. Bowden who can explain better this situation.

Mr. Van Der Molen comments that the figures presented were not right, Mr. Bowden replies him that in the point we have for this, we will discuss it and try to answer all the questions.

We start with the Agenga, but was decided to modify the order and go firstly to the second point.

To approve a change of date for the next Annual General Meeting from 8th February 2014 to 15th March 2014.

It was proposed a change of date for next Annual General Meeting from February the 8th to March the 15th, in the way that the Administration could have the financial exercise closed with all the invoices and payments from the previous year recorded and figures would be more exact. Owners can send suggestions and proposals for our services in the community from several companies before the end of the year, then, there will be time to check all of them and be taken to the meeting; At the same time that the administration will send accounts, budget and all the information related to the meeting as soon as possible.

It was proceed to vote and the change of date to March 14th 2014 for next Annual Meeting was approved by majority as follows:

VOTES IN FAVOR:

Mr. & Mrs. Beijerbergen, Bl.2-1, G.29	1,235%
Mrs. Ann Porter, Bl.2-4, G.30, T.7	0,970%
Mr. & Mrs. Elliot, Bl.2-5, G.6, T.11	1,138%
Mr. & Mrs. Scaife, Bl.2-6,G.7, Trasteros 9 y 12	1,018%
Mr. Van Den Bosch, Sr.Corrine, Bl.3-2, G.27, T.14	1,257%
Mr. Per Johansen, Bl.3-3, G.26	0,906%
Mr. Grahan Francis Bowden, Bl.3-4, G.10	1,0353%
Mr. & Mrs. Van der Molen, Bl.3-6, G.13, T.17	1,138%
Mr. Ralf Bodenehr, Bl.4-5, G.15, T.24	1,165%
Mr. Pallet Fastighetsförvaltining, Bl.5-1, G.19, T.27	1,445%
Mr. Jean Coyle, Bl.5-2, G.22, T.30	1,246%
Mr. Ole Hansen & Mrs. Vera Westlesen, Bl.5-3, G.23, T.25	1,2451%
Mr. Holt, Bl.5-5, G.20, T.28	1,154%
Mrs. Danielle P. Janssens, Bl.5-6, G21, T.29	1,143%
Mr. & Mrs. Underwood, Bl.6-6, G.33, T.35	1,159%
Mrs. Margareth Harrison, Bl.7-1, G.38, T.39	1,214%
Mrs. Lynn Patricia Thompson, Bl.7-5, G.37, T.32	1,165%
Ms. Shona Staunton, Bl.8-1,G.45, T. 43	1,3961%
Mr. & Mrs. Sonuga, Bl.8-4, G44, T.46	1,100%
Mr. & Mrs. Skarland, Bl.9-1, G.54	0,880%
Mr. & Mrs. Harris, Bl.9-2, G.76, T.52	1,336%
Mr. Andrés Roldán, Bl.9-3, G.50, T.51	0,930%
Mr. Mohamed Lotfy & Mrs. Mercedes GómezB.9-4,G.53, T. 49, 50 y 55	1,317%
Mr. & Mrs. Hay, Bl.9-5, G.52, T.53	0,960%
Mrs. Jannette Woodhouse & Mrs. Lynn A. Jackson, Bl.9-6, G.51, T.54	1,160%
Mr. William Thomas Rees, Bl.10-1, G.55, T.57	1,027%
Mr. Nicholas Williams & Mrs.Jane Coglan, Bl.10-4, G.74, T. 56	0,896%
Mr. Ettienne Dreesen & Mrs. Fabienne Vanoordbeek, Bl.10-5, G.57, T.59	1,010%
Mr. José Luis Martín Ramos, Bl.11-3, G.62, T.61	1,083%
Mr. & Mrs. Stuart, Bl.11-4, G.73, Trastero 64	0,978%
Mr. & Mrs. Cook, Bl.11-5, G.60, Trastero 65	1,166%
Mr. Ramón Rodríguez, Bl.12-4, G.64, T. 68	1,069%
Mr. Francis Whelan & Mrs. Nicola Smith, Bl.13-5, G.79, T.79	0,995%
Mr. Derek Cane, Bl.13-6, G.78, T.74	1,133%
Mr. & Mrs. Mackay, Bl.14-2,G.89, T. 78	0,968%
TOTAL VOTES IN FAVOR	**39,0375%**

VOTES AGAINST:

Mr. & Mrs. Lavery, Bl.3-1, G.11, T.15	1,062%
Ms. Nicola Vieira Rodrigues, Bl.7-6,G.47,T.41	1%
TOTAL VOTES AGAINST	**2,062%**

ABSTENTIONS:

Mr. & Mrs. Ayres, Bl.8-3, G.43, T.45	1,261%
TOTAL VOTES ABSTENTIONS	**1,261%**

To approve a change of date for the next Annual General Meeting from 8th February 2014 to 15th March 2014

Mr. Bowden, vicepresident of the Community takes the turn.

I hope you have all seen the various memoranda and schedules that have been sent out recently. I am not proposing to go over them again but I am happy to answer any questions you may have in just a moment.

First, I would like to make just a few comments on our financial situation. It is not new. It is not a surprise. It has been developing over the past few years and we have all been warned about it – both in newsletters and at the AGM.

We consistently overspent against budget and as a result had to use all of the cash put aside in the legal reserve to cover it.

Amounts put aside for major maintenance work have also been spent.
This was all going on whilst a number of owners were defaulting on their maintenance fees. A cash crisis was inevitable. This situation is continuing – currently the bad and doubtful debts stand at approximately €24,000.

We have been told by a number of owners to "use our reserves". There are no reserves.
We have unpaid bills of about €20,000 and just €12,400 in the Bank – that is it.
I am sure you appreciate that if we do nothing the consequences will be serious.

We have been told to "focus on debtors". Currently, €17,597 is in the legal process, €2,404 is being paid in installments and €3,751 is from owners who refuse, can't or will not pay. The latter group is being pursued but even a 100% recovery will not change our current problem.

We are being asked to reduce costs. Most of our costs have already been subject to retendering where contractually possible. There is little opportunity for significant savings in the short term unless we immediately cut services.

It is worth noting that our 2013 budgeted operational costs were at the lowest level since 2007.
We based this cash call on the financing of the estimated deficit and the need to provide a reserve enough to cover any unforeseen costs during the rest of the year and to give us some funds to go forward into 2014.
The Committee accepts and agrees that in return for paying more money, owners should expect a high level of stewardship from the members. I can assure you that all of us here are dedicated to doing just that.

Finally, I would like to quote from the October 2012 Newsletter.
"Until the January quarterly funding is received, we are facing the need to seek the cooperation of certain of our creditors to accept only stage payments to the limit of our available cash"
"There will be a need to restore full financial health as part of the 2013 budget"
"Please prepare for some necessary increases in 2013 or a significant service diminution".
"Debtors have now reached a level which is threatening our financial stability and our ability to provide the highest standards of amenity to everyone".

As I said at the beginning – this situation should not be a surprise. We are now running out of time to put it right. Before taking questions, I ask Mr. Coyle if he wants to add anything?

Mr. Coyle comments the question from some owners about why they have to pay more money, arguing that there has not been a good communication and lack of control, but from now there will be better control for costs which payments must be approved by the Vice-Presidents, except for any emergencies, then the President would make the decision without any approval by the committee.

Mr. Rodríguez, owner in B12-4 says that using part of the 15.000€ approved in the Annual Meeting to cover part of the deficit, and together with the 12.000€ we have in the bank, the extra fees to be approved would not be so high. Ms. Ana Muñoz explains that the problem is that if we only ask for the exact amount to afford planned expenditures, we will be in the risk that if an extra expense occurs or the debtor lists rise, it was taken to account that approximately 18% could not pay the extra fees, then we consider that this extra fees should be adopted to complete the payment normally, having a reserve fund and in case of defaults, we can keep the same services in the Community.

Mr. Holt comments that we need to follow and pressure more to debtors, in the contrary they will go on without solving their debt and enjoying all facilities.

Mrs. Harrison asks about the actions taken against debtors, Ms. Ana Muñoz replies that the situation with each one of them was already explained in the last General Meeting.

In the meeting was also discussed, especially by Mr. Rodríguez the possibility to change the security company, as we could save in costs and could look for a company or an independent security guard only for our community which would be more efficient. Mr. Rodriguez and others owners consider the service we have now completely null. Mrs. Muñoz, explained that this service is hired by the EUC and as Los Eucaliptos does not have majority of coefficients for votes, we cannot make any change. In any case, it could be proposed in the next Annual General meeting for Entidad Urbanitica Los Aguilares by the President of the Community. This question has been discussed several times in previous Meetings.

Mr. Bowden intervenes to comment that the contract with company for lift's maintenance has been reviewed and new budgets will be requested to other companies as well as with the rest of the others services.

Mr. Rees points out that in recent last meetings everybody wanted to lower and lower the buget and now, here we are the results.

Mr. van der Molen comments about the lack of information by the administrator and says that this could have been avoided. Mrs. Muñoz, explains that she already warned to neighbours about the situation in the last Annual General Meeting 2013 proposing to create a reserve fund of 25.000€ but was not approved, then, it was reported previously to owners. The budget has been reduced and reduced making no any prevision or reserve fund.

Mr. Harris says that he trusts in the expenditure control the committee will carry on.

Budgets will be done before the end of the year, inviting all owners who wish to bring quotations from others companies in order to study them in advance and present the best options to the rest of owners in the meeting.

It was proceeded to vote the presented proposal to charge extras fees for the total amount of 38.230€ to restore the financial situation in the community and was as follows:

VOTES A FAVOR:

Mr. & Mrs. Beijerbergen, Bl.2-1, G.29	1,235%
Mrs. Ann Porter, Bl.2-4, G.30, T.7	0,970%
Mr. & Mrs. Scaife, Bl.2-6,G.7, Trasteros 9 y 12	1,018%
Mr. Van Den Bosch & Mrs.Corrine, Bl.3-2, G.27, T. 14	1,257%
Mr. Per Johansen, Bl.3-3, G.26	0,906%
Mr. Grahan Francis Bowden, Bl.3-4, G.10	1,0353%
Mr. & Mrs. Van der Molen, Bl.3-6, G.13, T. 17	1,138%
Mr. Ralf Bodenehr, Bl.4-6, G.15, T.24	1,165%
Mr. Pallet Fastighetsförvaltining, Bl.5-1, G.19, T.27	1,445%
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Mr. Holt, Bl.5-5, G.20, T.28	1,154%
Mrs. Danielle P. Janssens, Bl.5-6, G21, T.29	1,143%
Mr. & Mrs. Underwood, Bl.6-6, G.33, T.35	1,159%
Mrs. Margareth Harrison, Bl.7-1, G.38, T.39	1,214%
Mrs. Lynn Patricia Thompson, Bl.7-5, G.37, T.32	1,165%
Ms. Shona Staunton, Bl.8-1,G.45, Trastero 43	1,3961%
Mr. & Mrs. Skarland, Bl.9-1, G.54	0,880%
Mr. Mohamed Lotfy & Mrs. Mercedes GómezB.9-4,G.53, T. 49, 50 y 55	1,317%
Mr. William Thomas Rees, Bl.10-1, G.55, T.57	1,027%
Mr. Nicholas Williams & Mrs.Jane Coglan, Bl.10-4, G.74, T.56	0,896%
Mr. Ettienne Dreesen & Mrs. Fabienne Vanoordbeek, Bl.10-5, G.57, T.59	1,010%
Mr. José Luis Martín Ramos, Bl.11-3, G.62, T.61	1,083%
Mr. & Mrs. Stuart, Bl.11-4, G.73, Trastero 64	0,978%
Mr. & Mrs. Cook, Bl.11-5, G.60, Trastero 65	1,166%
Mr. Francis Whelan & Mrs. Nicola Smith, Bl.13-5, G.79, T.79	0,995%
Mr. Derek Cane, Bl.13-6, G.78, T.74	1,133%
Mr. & Mrs. Mackay, Bl.14-2,G.89, T.78	0,968%
TOTAL VOTES IN FAVOR	**30,0985%**

VOTES AGAINST:

Mr. & Mrs. Elliot, Bl.2-5, G.6, T.11	1,138%
Mr. & Mrs. Lavery, Bl.3-1, G.11, T.15	1,062%
Mrs. Jean Coyle, Bl.5-2, G.22, T.30	1,246%
Ms. Nicola Vieira Rodrigues, Bl.7-6,G.47,T.41	1%
Mr. & Mrs. Ayres, Bl.8-3, G.43, T.45	1,261%
Mr. & Mrs. Sonuga, Bl.8-4, G44, T.46	1,100%
Mr. & Mrs. Harris, Bl.9-2, G.76, T.52	1,336%
Mr. Andrés Roldán, Bl.9-3, G.50, T.51	0,930%
Mrs. Jannette Woodhouse & Mrs. Lynn A. Jackson, Bl.9-6, G.51, T.54	1,160%
TOTAL VOTES AGAINST	**10,233%**

ABSTENCIONS:

Mr. & Mrs. Hay, Bl.9-5, G.52, T.53	0,960%
Mr. Ramón Rodríguez, Bl.12-4, G.64, T. 68	1,069%
TOTAL VOTES ABSTENCIONS	**2,029%**

After the accounting of the votes, it is approve by the majority.

There being no further business the meeting closed at 19:30 with thanks to all present

President Secretary-Administrator