ANNUAL GENERAL MEETING OF THE RESIDENCIAL LOS EUCALIPTOS DE LOS ARQUEROS COMMUNITY OF OWNERS

In Benahavis, March 15th 2014, the Annual General meeting of the Community of owners Los Eucaliptos commenced in the NH Express Hotel in San Pedro de Alcantara at 10:30 at the second call, there not being sufficient to meet the quorum required at the first call according to article 8/99 dated 6th April 1999 of the Horizontal Property Law.

The session started with the following present or represented:

PRESENTS	**COEFFICIENTS %**
Mr. Graham Francis Bowden Bl.3-4, G.10	1,035%
Mr. Willem Van Der Molen, Bl.3-6, G.13, T.17	1,138%
Mr. Ralph Bodenehr, Bl.4-5, G.15, T.24	1,165%
Mr.&Mrs. Coyle, Bl.5-2, G.22, T.30	1,246%
Mrs. Vera Westlesen, Bl.5-3, G.23, T. 25	1,245%
Mrs. Danielle Jansens, Bl.5-6,G.21,T.29	1,143%
Mr. Jeremy Gordon & Mrs. Lynn Thompson, Bl.7-5, G.37, T.42	1,165%
Mr. Alan Harris & Mrs. Susan Harris, Bl.9-2, G.76, T. 52	1,336%
Mr.&Mrs. John F. & Maureen Hay, Bl.9-5, G.52, T.53	0,960%
Mrs. Jannette Woodhouse & Mrs. Lynn Jackson, Bl.9-6, G.51,T. 54	1,16%
Mr. William 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.&Mrs. Stuart, Bl.11-4, G.73, T. 64	0,978%
Mr. Ramón Rodríguez Morilla, Bl.12-4,G.64, T.68	1,069%
Mr. Colin D. Bell, Bl.14-3, G.81	1,064%
Mr. Michael Michael Hough,Bl.14-5,G.80,T.77	1,17%

Mrs. Ana Muñoz and Mrs. Marina Fernández Sánchez as Secretary-Administrator; and Ms. Ana Espinosa assistant.

TOTAL COEFFICIENT VOTES PRESENT	**17,984%**
OWNERS DULY REPRESENTED	**COEFFICIENTS**
• Mr. Thomas Rees, represented the following owners:	
Mr.&Mrs. Beijerbergen, Bl.2-1, G.29	1,235%
Mr. Rob Dyer & Mrs. Ann porter, Bl.2-4,G.30,T.17	0,97%
Mr.&Mrs. Scaife, Bl.2-6, G.7, T.9 y 12	1,018%
Football Impact, S.L., Bl.2, Garaje 28	0,086%
Mr.&Mrs. Lawson, Bl.4-1, G.24,T.21	1,273%
Pallet Fstighetsförvaltining I Linköpin, Bl.5-1,G.19, T.27	1,445%
Mr. Graham Holt, Bl.5-5, G.20 , T.28	1,154%
Mr.&Mrs. Gary & Jane Underwood, Bl.6-6, G.33, T.35	1,159%
Mr. Peter Harrison, Bl.7-1, G.38, T.39	1,214%
Mr. Shamil Naoum, Bl.7-3,G.46, T.37	1,094%
Mr.&Mrs. Williams, Bl. 8-6, G.41, T. 47	1,159%
Mr. Alex de Cooman, Bl.9-1,G.54	0,880%
Mr. Andrés Roldán, Bl.9-3,G.50,T,51	0,93%
Mr. Mohamed Lotfy & Mrs. Mercedes Gómez B.9-4,G.53,T. 49,50 y 55	1,317%
Mr. Nicholas Williams & Mrs. Jane Coglan, Bl.10-4, G.74, T. 56	0,896%
Mr. Ettienne Dreesen, Bl.10-5, G.57, T.59	1,010%
Mr. & Mrs. Bradley, Bl.11-1,G.72,T.63	1,276%
Mr. & Mrs. Cook, Bl.11-5, G.60, T. 65	1,166%
Mrs. Mary McDonell, Bl.11-6, G.59, T.66	0,972%
TOTAL VOTES REPRESENTED BY MR. REES	**20,174%**

- Mr. Alan Harris represented to the following owners:

Mr.&Mrs. Elliott, B2-5, G.6,T.11	1,138%
Mr. Alan. Ayres, Bl. 8-3, G.43, T. 45	1,261%
TOTAL VOTES REPRESENTED BY MR. HARRIS	**2,399%**

- Mrs. Jannette Woodhouse, represented to the following owners:

Mrs. Nicola Vieira Rodrigues, Bl.7-6, G.47, T. 41	1%
TOTAL VOTES REPRESENTED BY MRS. WOODHOUSE	**1%**

- Mrs. Vera Westlesen, represented to the following owners:

Mr. Brian Stig Jorgensen, Bl.1-3,G.1,T.1	0,938%
Mr. Per Johansen, Bl.3-3, G.26	0,906%
Mr. Steen & Britt van Hauen, Bl.6-3, G.32, T.33	0,938%
TOTAL VOTES REPRESENTED BY MRS. WESTLESEN	**2,782%**

OWNERS PRESENTING THEIR VOTE WITHOUT PROXY

Mrs. Teresa & Mr. Stephen Dix, Bl.1-6, G.2, T.5	1,160%
Mrs. Nicola Whelan, Bl.13-5, G.79, T. 79	0,995%
Mr.&Mrs. Cane, Bl. 13-6, G.78, T.74	1,133%
TOTAL	**3,288%**
TOTAL VOTES PRESENT OR REPRESENTED	**47,627%**

AGENDA:

1. President's report.
2. Presentation and approval of the accounts 2013.
3. Approval of the budget from 1st January until 31st December 2014, with an increase of 100% and to allow a discount of 50% for owners who pay the quarterly fee before the end of the 1st month of each quarter. (January,April,July,October).
4. Approval to change the basis of charging 32% interest annually on overdue debts at the 31st December each year, to charging interest at the end of the first month of each quarter.
5. Election of President and Vice-President for 2014.*
6. Election of Administrator for 2014.*
7. Approval for debtors list and action to be taken. (European order for payment procedure, rental retention in those apartments rented but with debt to the community).
8. Approval to start the painting works in the interior of communal areas in 2014.
9. Proposal and approval for internet installation through satellite in the Community for private owners (communal aerial and each owner can make private installation individually without any cost to the community).
10. Date for next AGM.
11. Any other business.

Signed: Mr William Rees (President)

1.- PRESIDENT'S REPORT.

Having counted the votes of those attending and those represented, enabled the meeting to commence.

Mr. Rees, President of the Community welcomed the attendees.

Mr. Coyle advised that the call for the AGM had not been sent on time and as stipulated within the statutes, as it should have been sent 30 days prior to the meeting taking place and it was instead sent on 14th February 2014, just 29 days before.

Attendees were asked if there was any objection with the AGM taking place or for it to be postponed. It was agreed by the majority of the attendees that the AGM should go ahead. It was also agreed that although the date of the next AGM is always set and noted one year before it taking place within the minutes, more attention will be put on this issue to ensure it does not re-occur.

Mr. Van der Molen mentioned that the minutes sent last year were not correct and therefore has requested

he be refunded with the extra payment fee in respect of the paintwork carried out as this fee was paid out to the painting company without his authority being that he was one of the members of the painting committee specifically set up for this.

The Vice-President explained that the committee was composed by three members who were elected for the sole purpose of electing the painting company in charge of the carrying out the works and to then check and ensure the evolution of the painting program was going ahead as planned.

The Administrator informed the President of the Community (who authorises payments) that as the final payment to the painting company was now overdue, especially as the works were finished some 12 months ago there was no reason or excuse to delay this payment any further. Mr Van der Molen claimed that the works were not carried out to a satisfactory manner and that this was not approved by him. It was advised that the works carried out met with what the company were contracted to do and that the works being identified by some neighbours were nothing to do with the paint work itself.

Mrs. Van der Molen asked that this be recorded in the minutes and that it was the President decision to authorise this final payment.

Mrs. Muñoz informed that the minutes from EUC Los Aguilares will be sent to owners when she receives them.

2.- Presentation and approval of the accounts 2013.

Mr. Bowden advised that with the invites sent out re the AGM the following attachments were also enclosed/attached. Accounts, expenses comparative, incomes/expenses balance and an explanation of the accounts.

The accounts show an opening balance with a deficit of 3.421,06€ but after community fees, extraordinary income and the actual expenses of the period, the final balance was 59.856,15€, representing reserves. However, this was not the actual amount available as it includes the unpaid community fees of approximately 38.200,00€ which are regarded as doubtful. Therefore the final reserve figure available, and represented by bank and cash was approximately 21.000,00€.

Regarding the ringfencing of reserves/cash available at the close of 2013, Mr Bowden proposed we allocate 10.000€ to the 5% legal reserve and the balance of 11.000€ to the painting fund.

Mr. Ramón Rodríguez wanted to know about the expense of 1.000€ donated for the castration of the cats within Los Eucaliptos and if this program was to continue this year. He advised that he had been talking with Triple A Association who informed him that they could take the cats away and look after them.

Mrs. Muñoz explained that she tried to talk to this association several times but she was advised they were full and could not take care of any more animals. An attempt to involve the EUC Los Aguilares to take the responsibility of this program instead of by the individual communities was unfortunately not approved.
Mr. Rodríguez was invited to help and assist in resolving this issue.

Mr. Rodriguez also informed all about the penalties that neighbours could be faced with when feeding cats in the public roads etc.. which could range from between 75€ to 500€.

The approval for the 2013 accounts were put to vote and these were approved by a majority without any vote against and only the following abstentions:
B1-3
B5-2
B9-2 and represented.
B9-6 and represented.

3.- Approval of the budget from 1st January until 31st December 2014, with an increase of 100% and to allow a discount of 50% for owners who pay the quarterly fee before the end of the 1st month of each quarter. (Janury, April, July and October).

Mr. Bowden explained that the budget proposal was sent with the invite to the meeting and he also, mentioned that in the last meeting owners were invited to bring quotations from others companies which

would be studied by the committee. The only quotes received were for the gardening “contract”, which were similar to the one we already have in place.
Mr. Coyle wanted to record within the minutes that even though he was a member of the committee, he was not invited to the meeting where the budget was being put together.

Mr. Bowden replied that he knew the date for this meeting since it was decided in a previous one held in the Administrator's office in October 2013 and he also advised him via email, so that he could make the necessary arrangements for his flights.

Mrs. Muñoz explained that within this years budget we have included more entries for items such as extinguishers and the maintenance for the garage doors.

The rest of entries are within the existing contracts and estimates.

Within the reserve fund we have also included a fund to cover off all the possible “community fees defaults” in the year which is estimated at approximately 20% of the budget. This means approximately 40.000€ together with painting fund of 25.000€ which was already approved in 2011.

It was discussed amongst attendees to reduce the painting funds by 10.000€, therefore approving only 15.000€ with the reserve funds for the defaulters reducing to 20.000€ from 40.000€. We will continue to pursue debtors rigorously to ensure we are not having to increase the budget for this particular issue each year.

Mr. Bowden explained that due to the historic nature of the late payers and those who do not pay at all, this creates real difficulties within the community cashflow and therefore it would be prudent and a benefit to the community if we included a figure 40.000€ within the budget to cover such issues.

Mr. Ramón Rodríguez did not agree with the increase especially as some neighbours were not paying anything at all.

Mrs. Muñoz explained that she has received a new and more economical quote for the lift maintenance which could reduce the cost by half. It was decided to keep it as it is for now , whilst we have an opportunity to compare the terms and conditions of maintenance and guarantees we have with the present company and if possible see whether we can reduce the current fees or consider moving over to the new company.

Mr. Coyle commented that he does not trust either the administration or the President.

It was agreed to reduce the debtor funds to 20.000€ and the painting fund to 15.000€, resulting in an operating budget of 244.132€.

It was agreed to initially vote for the above noted budget and thereafter for the 100% increase applying a 50% discount for prompt payments (community fees paid during the first month of each quarter).

There were no more questions about this item, so the annual budget for 2014 was approved by majority for the amount of 488.264€ with the following votes against:

B3-4
B5-5

Abstentions:
1-6
B10-1

We then went onto vote for the increase of 100% applying a discount of 50% for prompt payers i.e. neighbours who are paying on time (community fees paid during the first month of each quarter) which means that their community fees will not change. This will only affect those neighbours who are paying late or not paying at all.

Mrs. Woodhouse said that it makes no sense in applying the mentioned increase when there are neighbours that even when they are being fined, never pay.

The administration explained that this method is mainly imposed to encourage those who delay payments to

do it on time; and also when debt is claimed in the courts we can recover a larger part of the unpaid fees; For example in the case where a bank takes repossession and becomes owners of the property they are only obligated to pay the current year and the previous two years. This means that the community would lose out recouping any outstanding debt/fees from all the previous years. It would therefore give us an opportunity to recover double the amount due and hence collect a much larger portion of the debt by applying this new method.

Increase of 100% budget applying the 50% was approved with the following votes against:
B5-2
B5-5
B9-2 and represented.
B9-5
B9-6 and represented.
B14-5
Abstentions:
B1-6
B12-4

4.- Approval to change the basis of charging 32% interest annually on overdue debts at the 31st December each year, to charging interest at the end of the first month of each quarter.

It was proposed to approve the penalty of 32% which was established to be imposed at the end of the year to be applied at the end of each quarter.

We proceeded to vote and this was approved with the following votes against:

B5-5
Abstentios:
B5-2
B9-2 and represented
B12-4

It was approved by majority and will start to be applied from the end of the 2nd quarter 2014.

5.- Election of President and Vice-President for 2014.

Mr. Rees current President, commented his intention to present himself for this position again since he has felt the support of lots of neighbours during these years, but he also stated that mainly due to the role he represents, he has suffered damages to his car on two occasions inside the community.

Attendees were asked if there exist another candidate and Mr. Coyle also presented his candidature.
Votes were as follows:

Votes for Mr. Rees:
B10-1 and represented.
B13-5
B13-6
B5-3 and represented.
B.11-3
B3-4
B11-4
B.12-4
B.5-6
B.7-5
B.9-5
B.14-3

Votes for Mr. Coyle:

B5-2
B9-2 and represented.
B9-5

B9-6 and represented.

Abstentions:
B1-6
B14-5

Mr. Graham F. Bowden presented his candidature for the role of Vice-President.

This was approved and therefore we have as President Mr. William Rees and as Vice-President Mr. Graham Bowden

6.- Election of Administrator for 2014.

Habisben Services represented by Mrs. Marina Fernández and Mrs. Ana Muñoz presented themselves as candidates.

No other candidates were presented. This was approved.

7.- Approval for debtor list and action to be taken. (European order for payment procedure, rental retention in those apartments rented but with debt to the community).

Mr. Muñoz explained that the debtor list was sent by e-mail prior to the meeting, with it being updated on 14th March 2013:The amounted to 37.275,05€.

She briefly explained the situation in each debtor:

B3-5: Had been notified on a number of occasions and we expect them to pay shortly; this apartment is rented.

B4-3: Has been notified on numerous occasions; the outstanding debt corresponds to the year 2013.

B4-4: legal actions were initiated last year for this apartment; they started to make some payments and will do it periodically since they have proposed a payment plan in accordance to their economic situation ; in any case, we have informed them that the law suit will still go ahead.

B4-5: This owner was attending the meeting and was invited to explain his reasons.

Mr. Bodenehr informed the neighbours that the reason for him not paying his community fees is because after having an incident in his car caused by the garage door in the community he has been waiting for the compensation for the repairs to the car to be paid out by the community. Having not received any monies at all and the administrator not answering his emails, he decided to stop paying the community fee.

It would appear the garage door closed on him whilst he was driving through it causing damage to his vehicle and he advised the community that it was not working correctly. He said that he has always paid and has no problem in continuing to do so, however, only when the community pays him the cost of the repairs to his car and all interest accrued for the late payment is removed from his outstanding debt.

Mrs. Muñoz explained that this incident happened in June 2013 and was claimed via the community insurance company we have in place. The Insurance company carried out an inspection of the garage door only to advise us that the door was working in perfect order and therefore the only explanation is that this neighbour had tried to go through the door when it had already commenced to close hence causing the damage to his own car. (Driver Error) They confirmed that both the motor and mechanism were working in perfect order..

Even so, the community went back to the insurance company and claimed again but this was rejected again on the same basis as before and reiterated that all working perfectly well. Mr. Bodenehr was informed of this in the committee meeting that both the President and Vice-President decided not to pay for the cost of reparation which amounted to over 2.000€ at least until it was discussed at the forth coming AGM and that was advised to Mr. Bodenehr.

Mrs. Marina Fernández informed the neighbour that the payment of community fees is a totally seperate matter and this must not be mixed with something else. Any legal action that owners wishes to take against the community would be on a different basis altogether. It was recommended and suggested to the owner he pay his outstanding community debt and if he wishes he can then take any legal action against the community for the other matter.

B4-6: a few days prior to the meeting and after numerous notifications, we contacted with the owner who showed us that he had paid regularly by bank transfer but to an account number the community had closed a number of years ago and no longer existed. I informed him that the community had not received such incomes and suggested he goes to his bank to claim it. He confirmed that he would pay his debt in the coming days.

B7-4: This owner expressed her intention to pay the community fees regularly and before this meeting, informed us that the debt would be solved shortly. She also advised us that she will try and pay the fees on time.

B8-2: the law suit is still in progress and each year the debt is updated. We have all the information about the legal process in our office in case any owner wants to check it out, but we understand that the procedure can be slow so the courts had been provided with all the possible addresses this neighbour may have in Spain for notifications. Some owners were disappointed with this situation and do not understand why there is such a delay in getting this resolved especially when the neighbours are living there using the facilities and more needs to be done to stop this situation.

B10-2: Sabadell bank is the owner of the apartment, and before this property can be sold they must clear the debt in full.

B11-2: last year this owners presented an agreement to pay his debt on a monthly basis until the debt is cleared as he wanted to rent his apartment. He did keep up with the agreement for the initial months however this has now stopped and legal actions will be started.

B13-1: this debt is the interest for late payment accumulated during the year 2012 and 2013. He has paid his community fees but not the late payment interest.

B15-1: this owner said that he would pay his community fees however, this is not happening. He has been notified on a number of occasions but without success; This will now be claimed through a debt collecting company in UK. This apartment is usually rented.

Neighbours proposed to impose the late payment interest to all owners who are not paying in time without any exceptions being accepted.

Debtors list was put to vote and approved unanimously taking the legal actions where necessary.

8.- Approval to start the painting works in the interior of communal areas in 2014.

Attendees proposed to postpone it for next year.

A neighbour commented that it would be advisable doing it once the new development is finished since there is a lot of dust.

This was put to vote and it was decided to do it in 2015.

9.- Proposal and approval for internet installation through satellite in the Community for private owners (communal aerial and each owner can make private installetion individually without any cost to the community).

Mrs. Muñoz informed that this proposal had been presented by an owner. She has requested the best options available to us from various different telecommunication companies and the system would only consist of an installation of a receiver in communal area and each owner interested can contract the service directly with the company and therefore have access to internet each time they wish.

It would be a good option for those who are not living here permanently and wish to have this service when they are here.

The community would not assume any cost.

The administration will continue looking for more information and once there is any company that could provide an optimal coverage, we will inform neighbours.

It was approved by majority.

10.- Date for next AGM.
It was proposed on Saturday 14th March 2015.

After votes was approved unanimously.

11.- Any other business.

Attendees were informed by Mr. Bowden that the EUC Los Aguilares AGM was held on the 20th February and the budget was approved with the increase in some entries but by reducing the reserve fund this avoided raising the fees for this year 2014.

There was mentioned that in future there would be an interest charge of 5% for those communities paying late.

Also, security matters, gardening, public lighting and the future golf course, etc were discussed.
As soon as we receive the corresponding minutes it will be sent to all owners.

Mrs. Woodhouse wanted to point out that for future meetings a translator could assist in order not to lose any details about the discussed issues.

It was explained that there was one contracted but they had just informed us that for personal reasons they could not attend at the last moment.

There not existing more business to discuss and thanking the attendees for their participation, the meeting closed at 17.00p.m.

President Secretary-Administrator