

COMMUNITY OF OWNERS LA CALA HILLS, PHASE I

Minutes of the Annual General Meeting held on 6th of October 2005 at the Casa de la Cultura, La Cala de Mijas.

Attendance:

<i>Propietario</i>	<i>Finca</i>	<i>Cuota</i>	<i>Representado</i>	<i>Vota</i>
<i>Owners</i>	<i>Propert.</i>	<i>Quota</i>	<i>Proxy holder</i>	<i>Vote</i>
P. Shellcock	101	0,880	Michael Howarth	Sí
C. Burton	102	0,670		Sí
Hein Lans Jans	104	0,880	Carl Bakker	Sí
W. Newman	107	0,670		Sí
A. Wilson	108	0,880		Sí
P. Koster	112	0,880	Frank Bakker	Sí
P. Molloy	114	0,900	Michael Howarth	No
Van der Wal	115	0,910		Sí
Derek Hills	201	0,880		Sí
C. Ashley	202	0,670		Sí
Van der Heij	203	0,670		Sí
Nicholas & Angela Bate	205	0,880		Sí
Steve Wedge	207	0,670	José M ^a . Mariscal	Sí
R.Ware & D. Jenkins	209	0,880	Michael Howarth	Sí
Margarett Smith	210	0,670	Carl Bakker	Sí
Sr. Turrel y Sra. Clark	211	0,670	Michael Howarth	Sí
D.C. Wares	214	0,900	Carl Bakker	Sí
M. Bird	303	0,670	José M ^a . Mariscal	Sí
M. Barnett	304	0,880	Michael Senker	Sí
Francisco Ortiz	305	0,880	José M ^a . Mariscal	Sí
R. Duckworth	306	0,670	Michael Howarth	Sí
D. Sullivan	307	0,670		Sí
Peter Lloyd Evans	309	0,880	Michael Howarth	Sí
Kenneth & Patricia Norris	310	0,670	Michael Howarth	Sí
Sr. Leader	312	0,880		Sí
W. Moss	404	0,880	Michael Howarth	Sí
G. Treco	405	0,880		Sí
A. Marshall	406	0,670	Michael Howarth	Sí
Michael Howarth	407	0,670		Sí
S. Hooper	408	0,880	Michael Howarth	Sí
T.J. Booth	412	0,880		Sí
B. Ahlefeld-Engel	415	0,910		No
C. Furey & Sra. Marshall	502	0,670		Sí
K.A. Rhodes & P. Williams	503	0,670	Michael Howarth	Sí
Van Der Meer	505	0,880	Frank Bakker	No
P. Dubberley	506	0,670	Frank Bakker	Sí
B. Smith	510	0,670	Michael Howarth	Sí

Sr. Van der Vossenbergh	511	0,670	Sr. Van Der Hey	Sí
J. Van Wijk	514	0,900	Horst Erbacher	Sí
E. Walsh	515	0,910	Horst Erbacher	No
P. Stephens	602	0,670	Horst Erbacher	Sí
J. Jansen	603	0,670	Frank Bakker	Sí
T. Calderbank	605	0,880	Michael Howarth	Sí
K. Foster	606	0,670	Michael Howarth	Sí
Friedrich Regina	612	0,880	Horst Erbacher	Sí
R. Dove	614	0,900		No
F.Q.M. Raemakers	702	0,670	Frank Bakker	No
Pleun & Hein Smits	703	0,670		Sí
M. Mann	706	0,670	Michael Howarth	Sí
Jan Egdoe	707	0,670	Horst Erbacher	Sí
M. Weinrabe	708	0,880		Sí
M. Emerson	709	0,880		Sí
Sr. Van Der Hoef	712	0,880	Frank Bakker	No
B. Chalmers	714	0,900		No
J. Cornwell-Smith	802	0,670		Sí
Manuel Yañez	803	0,670	Michael Senker	Sí
J. O'Callaghan	804	0,880		Sí
Horst Erbacher	805	0,880		Sí
B. Harris	809	0,880		Sí
P. Devlin	811	0,670	Horst Erbacher	Sí
Michael & Patricia Senker	812	0,880		Sí
S. Hastings	901	0,880	Michael Howarth	Sí
A. Clark	904	0,880		Sí
S. Mitchell	905	0,880		No
Dolores Perujo	907	0,670		Sí
A. Nelms	909	0,880		Sí
D. Phillips	910	0,670		Sí
R. Small	914	0,900	Frank Bakker	Sí
Carmen Montana	915	0,920		
And Lázara Barranquero and José Luis Navarro Rosado for Intercala Asesores, S.L. Administrators.				

The Meeting commenced at 10.30am, this being the second calling. The President, Mr. Michael Howarth welcomed all to the 3rd AGM and introduced those on the platform.

In his welcoming address, he advised that Mrs. Patti Senker had resigned from her post as Treasurer following receipt of an anonymous and misguided letter. The President refused to accept her resignation and persuaded her to stay, hence her position on the platform. This was met with full applause from the floor.

1 Reading and approval of the last Minutes

The Minutes of the previous Meetings were taken as read and proposed by the Owner of Apartment 107, seconded by the Owner of Apartment 614 and unanimously agreed.

2 President's Report

The President read out his report (President's Report shown in a separate menu item).

The Owner of Apartment 809 referred to the point about the post, stating that the post goes back to Mr. Frank Bakker's office rather than as specified in the President's Report. This results in carrier bags full of mail leading to 3 or 4 days delay in the arrival of mail. Mr. Bakker confirmed that the post, once delivered by the postman, does not always get distributed the same day. The President accepted the points made and agreed to investigate this with Intercala.

The Owner of Apartment 907 asked when the letters, notifying of this meeting, were posted. A full discussion took place regarding the late notification of the meeting. The Administrator, Jose Luis Navarro Rosado explained in full the process for the distribution of these letters. Once the letter is prepared, it must be approved and signed by the President, packaged and then distributed. Overseas letters were sent by post, internal letters were hand delivered. As a matter of fact the letters to the owners abroad were received before the letters to the residents, and some owners present confirmed this. A comment was made from the floor saying that as a matter of fact owners were informed of this meeting about January time through a newsletter. The Administrator apologize for the delay in the distribution of he notifications to the residents.

3 Rendering of Accounts for 2004/2005

(Account Report shown in a separate menu item)

A set of accounts had been sent to all the owners together with the summons to the Meeting. The accounts were unanimously approved, see the attached document containing auditors report and audited accounts.

The President stated that the Vice President, Mr. Horst Erbacher, had done a lot of work in this area. He then handed over to Mr. Erbacher who gave a detailed explanation of the Auditor's Report produced, including the accompanying letter.

The Owner of Apartment 312 stated that the date of the report is 30th September 2005, however the report was circulated before this date. It was explained that the expenses for the month of September had been accrued, as it is a normal practice in accountancy. He recommends that in future the AGM review the actual finalised accounts. This recommendation was accepted by Mr. Erbacher.

The Owner of Apartment 907 stated that he had looked at Phase II invoices and that some were incomplete and illegal totalling about €6000. He proposed to suspend approval of this item until a team could be set up to review all of Phase I invoices. Jose Luis Navarro Rosado stated that Phase II held their AGM the previous day and their accounts were approved with only one vote against. The Accounts are checked by an independent, external auditor therefore there is no reason to doubt their accuracy. The President, who advised that the Accounts are available for inspection at any time in the Intercala offices, supported this. Lázara Barranquero confirmed this and stated that to date, no one has yet taken up this offer.

Mr. Horst Erbacher continued to explain the details behind the Accounts. He advised that he had collected over €15000 from the Developer for various items relating to the previous year. There remains an outstanding amount from the Promoter of approximately €14000, and the Community should now try to recover this genuine debt.

Mr. Horst Erbacher proposed the creation of a separate account to use as a reserve fund. A full discussion took place to clarify understanding of the reserve fund. Jose Luis Navarro Rosado explained that by law, there is an obligation to set aside a minimum of 5% of your budget as your reserve fund. Following further discussion, permission was granted to the President to create funds or deposits to consolidate the community's reserve fund.

The Owner of Apartment 907 once again raised the proposal to suspend approval of the Accounts. There was no seconded for this motion.

The Accounts were approved by the Owner of Apartment 405, seconded by the Owner of Apartment 708 and agreed by everyone with the following exceptions: 2 x abstentions from the Owners of Apartments 809 and 904; 4 x against by the Owner of Apartment 907, 207, 303 y 305.

4 Debtors

The 2004 debt has been reduced from €80000 to €13000 as a result of legal action being taken. It was proposed to hold an EGM every quarter to approve the debtor list and agree the necessary action to be taken. This was agreed unanimously.

Various points were raised by owners regarding the issue of debtors. The Owner of Apartment 312 asked if a penalty could be introduced for late payment. The President said that this item will be discussed later in the meeting. The Owner of Apartment 405 asked if there was anything that could be done to those debtors who rent out their apartments. It was explained that nothing more than the procedure stated in the Laws of Horizontal Property could be done, which implies the embargo of the property and should the debt persist finalizes with the auction of the property.

The Meeting unanimously agreed to start whichever actions might be necessary to recover following the outstanding fees as of the 1st Oct, including the starting of a Court case, and the President was then given full authority to sign whichever documents might be necessary to that effect.

<u>APART</u> <u>APART</u>	<u>PROPIETARIO</u> <u>OWNER</u>	<u>SALDO</u> <u>OS/ FEE</u> 31/12/2004	<u>SALDO</u> <u>O/S FEE</u> ENE- MAR/05	<u>SALDO</u> <u>O/S FEE</u> ABR-JUN/05	<u>SALDO</u> <u>O/S FEE</u> JUL- SEP/05	<u>fra</u> <u>abogado</u>	<u>TOTAL</u> <u>TOTAL</u>
114	MR P MOLLOY	0,00	0,00	783,00	783,00	0,00	1.566,00
204	MR E MYERSCOUGH	0,00	0,00	0,00	765,70	0,00	765,70
208	MR E REYNOLDS	637,23	765,60	765,60	765,60	0,00	2.934,03
215	MR E REYNOLDS	658,95	791,70	791,70	791,70	0,00	3.034,05
308	MR E REYNOLDS	637,50	765,60	765,60	765,60	0,00	2.934,30
311	MR TAYLOR	0,00	0,00	0,00	582,90	0,00	582,90
314	PROMOTORA	651,71	783,00	783,00	783,00	0,00	3.000,71
315	MR JAMES FLANAGAN	0,00	0,00	0,00	154,62	0,00	154,62
402	MR E BAKER	0,00	0,00	110,00	582,90	0,00	692,90
415	MR B AHLEFELD-ENGEL	3.141,41	0,00	0,00	0,00	0,00	3.141,41
504	MR J BAKER	0,00	765,60	765,60	765,60	0,00	2.296,80
505	MR M VAN DER MEER	0,00	0,00	0,00	778,10	0,00	778,10
512	MR B J LUBBERS	1,46	765,60	765,60	765,60	0,00	2.298,26
515	MR E WALSH	4.051,68	791,70	791,70	791,70	0,00	6.426,78
604	MR A WHITE	0,00	765,60	765,60	765,60	99,99	2.396,79
608	OAK TREE HOLDING	0,00	0,00	234,90	765,60	0,00	1.000,50
609	MR R DE JONG	0,00	765,60	765,60	765,60	0,00	2.296,80
610	MR R DE JONG	0,00	582,87	582,90	582,90	0,00	1.748,67
611	MR R DE JONG	0,00	582,90	582,90	582,90	0,00	1.748,70

614	MR R DOVE	0,00	0,00	0,00	483,50	0,00	483,50
701	MR R PAGE	0,00	0,00	0,00	792,57	99,99	892,56
702	MR RAEMAKERS	0,00	0,00	582,90	582,90	0,00	1.165,80
712	MR VAN DER HOEF	0,00	0,00	0,00	0,00	99,99	99,99
714	MR B CHALMERS	0,00	283,00	783,00	783,00	0,00	1.849,00
801	MR J LACEY	0,00	765,60	765,60	765,60	0,00	2.296,80
806	MR HIGGS	0,00	0,00	0,00	582,90	0,00	582,90
807	MR & MRS D FLEMING	474,64	0,00	0,00	0,00	0,00	474,64
903	MR S SROKA	0,00	582,90	582,90	582,90	0,00	1.748,70
905	MR S MITCHEL	274,46	765,60	765,60	765,60	0,00	2.571,26
911	CREATIVE ACCOUN+B6	2.640,29	582,90	582,90	582,90	0,00	4.388,99

56.352,16

5 Election of Officers

President – Mr. Michael Howarth – all agreed with only 1 abstention, Apartment 904.

Vice President – Mr. Horst Erbacher – proposed by Mr. Howarth, seconded by the Owner of Apartment 107 and unanimously elected.

Treasurer – Mrs. Patti Senker – proposed by Mr. Howarth, seconded by the Owner of Apartment 709 and unanimously elected.

Administrators – the President stated that he was very happy with the current Administrators and had no plans to change them. This was supported by the floor with the exception of the Owner of Apartment 907. He stated that he had an alternative quote and would like to put this forward and discuss further points. The President thanked him for his interest but said that in view of the result of the votes he did not think that it was necessary to discuss the item further. The owners verbally ratified the votes and Intercala Asesores, S.L. was ratified in their post of Administrator in the person of its colleged Administrator nº. 1880 of the Málaga province Mr. José Luis Navarro Rosado.

6 Approval of the budget 2005/2006

(Budget shown in a separate menu item)

A budget proposal had been sent to all the owners together with the summons to the present Meeting and the President explained that the proposed budget contemplates an increase of 11.11%. He wanted to present a firm motion to the Meeting, as follows: that owners paying within the month when the fees are due, i.e. October, January, April and July will be granted a discount of 10%, which in practicality implies that for owners paying on time the fees remain the same as last year. The proposal was unanimously approved by the Meeting.

The Owner of Apartment 202 was concerned that the money budgeted for grounds and pool, is actually less than the amount spent on these areas last year, therefore was the amount budgeted sufficient? Mr. Horst Erbacher advised that some of the cost incurred last year were extraordinary items, therefore he was satisfied that the amount budgeted was sufficient.

The budget was proposed by the Owner of Apartment 709, seconded by the Owner of Apartment 614 and approved by all with the following exceptions: 4 abstentions, Apartments 102, 201, 202 and 809; 7 against, Apartments 907, 207, 303, 305, 104, 210 y 214.

a) Security

It was proposed to leave the security as it currently operates. This was agreed by all, with the exception of 1 x against, Apartment 707.

7 Authority to be given to the President to constitute the Mancomunidad

The President sought the authority to represent the Community at the wider community of owners, known as the Mancomunidad. The owners gave this authority and asked the President to ask the pertinent people to constitute the Mancomunidad as soon as possible with the view of organizing the maintenance of all the elements that constitute the Mancomunidad.

8 Aesthetical Alterations

Mr. Horst Erbacher advised that there were 2 cases where the Committee needed to seek the guidance of the floor.

One owner has installed an awning that is different to the agreed option. It was unanimously agreed to allow the Committee to request the owner to replace with the agreed option.

One owner has installed a cat flap in their utility area. The Owner of Apartment 904 stated that he was the person in question. He had done so without realising that he required permission. However it had been done in a sympathetic manner to conceal it and has painted it accordingly. It was unanimously agreed that this cat flap could remain.

Owners were reminded that it is forbidden by the Laws of Horizontal Property to make any alteration on any of the common elements of the building.

The President advised that the satellite dish on the roof of Block 9 had been installed with the Committee's approval. The dish is paid for and maintained by the individual, however it is available for use by anyone else in that block.

9 Claiming of Building Defects to the Promoter

It was advised that a surveyor has been appointed to look at items that the Community believe are the responsibility for the Promoter to put right. All owners are invited to submit areas they feel should be raised and put this in writing to Intercala. The President stressed that these issues related to common areas only and not individual apartment issues.

All were in favour of pursuing the Promoter regarding the above.

It was also advised that Mijas Water would soon be taking over the supply of water thus all the owners will have to make the contract for the water supply individually.

10 Any other business

A discussion took place regarding setting up an Owners Committee. Jose Luis Navarro Rosado explained that there is no legal requirement for such a committee and most

communities only have a President and a Vice President. Mrs. Senker reminded all that there is an invitation for block representatives to come forward on the Website. However only 2 block representatives have presented themselves, therefore it is up to the other blocks to appoint a representative and notify the President and his team. The Owner of Apartment 907 stated that he had 32 letters, 25% of the owners, requesting such a committee. Lazara Barranquero advised the floor that should you have 25% of the owner's vote you are entitled to call an EGM.

And there being no further business to discuss, the meeting closed at 1300 hours.

Seen by
THE PRESIDENT

THE SECRETARY-ADMINISTRATOR