

AGM 11th Nov 2004

Below, you will find 3 separate **sections**:

1. Letter from the President commenting on the minutes prepared by Golf Valley Administration.
2. Minutes of the 1st part of the meeting (prepared by Golf Valley Administration)
3. Minutes of the 2nd part of the meeting (prepared by Intercala)

Section 1

Letter to accompany Minutes of AGM 11 Nov

Dear Owner

Enclosed you will find a copy of the minutes of the AGM held on 11th November 2004. The section of the minutes prepared by Golf Valley Administration, were received by Intercala, in Spanish, only on 11th February 2005. The extra delay in issuing the minutes has been as a result of preparing the necessary translation into English

In my opinion the minutes, as submitted by Golf Valley Administration, contain a number of errors, discrepancies and misleading statements and do not represent a true and accurate record of the proceedings of the meeting. I am, therefore not prepared to sign them or accept them as a correct record of the AGM.

However, in order to avoid any further delays, Intercala are instructed to circulate the minutes as they stand to all owners for their information.

Yours sincerely,

Michael Howarth

President - La Cala Hills Phase 1

Section 2

Note: The following minutes were received from Golf Valley on 11th February 2005. As they were only received in Spanish the community paid for an independent translation into English.

MINUTES OF AGM 11TH NOVEMBER 2004 (Issued by Golf Valley Administrations)

ANNUAL GENERAL MEETING

At the meeting room of Hotel Tamisa at 10.30am of this 11th day of November 2004 takes place C.P. La Cala Hills Fase 1 AGM, in order to deal with the following AGENDA.

- Ruling Committee Report
- Auditor's Report on the 2003-2004 accounts and approval, if applicable
- 2004-2005 Budget: Presentation and approval, if applicable
- Late payers list up to September 30th and approval of assessments due, empowering the President to appoint lawyers and court attorneys for to claim at courts the said assessments due
- JL Satel's motion about telephone lines and ADSL. Presentation and approval.
- Election of charges (President-Vice President-Member and Secretary-Administrator)
- Attending (P) and Proxies (R) Late Payer(*)
- P101 P102 P108 P110 P114* R115 Frank Bakker P201 P202 P203 R204 Derek Hills P206 P210 R211 Michael Howarth P214 R301 Michael Howarth P302 R303 Michael Foot P311 P314 R401 Michael Howarth R402* Michael Howarth R403 Carl Bakker R405* Michael Howarth R406* Michael Howarth P407 R408 Michael Howarth R411 Michael Howarth P412 P415* R501* Michael Howarth R502 Michael Howarth P503 P504 R506* Michael Howarth P508 R509 Frank Bakker R510 Michael Howarth R511* Van del Meij P512 R514 Carl Bakker R601* Michael Howarth R603 Carl Bakker P606 R608 P Senker P609* P610* P611* R612 J Erbacher R702* Michael Howarth P703 R704 Smits P706* (Paid) P707 P709 P711 R714 Carl Bakker R715 P Senker R801*

P Senker P802 P804* (Paid) P805 R807 P Senker R808 P Senker P809
P811 P812 P814 P815 P901 R906* Michael Howarth P907 R909
Michael Howarth R901 Michael Howarth P912* (Paid) R914 Carl
Bakker R915 Jos Bakker

TOTAL ATTENDING 34.24%

TOTAL PROXIES 31.12%

TOTAL QUORUM 62.36%

Mr Bakker takes the floor and welcomes those attending and introduces the members of the Board:

Jos Bakker Chairman

Anthony Weathley Translator

Chiky Balmaseda de Ahumada Golf Valley Administraciones

After welcoming and introducing the members, the meeting starts with the agenda.

Item 1

Mr Bakker gives the floor to the Administrator so that he explains the Community situation.

Mr Balmaseda de Ahumada takes the floor and explains all that has occurred all through the year and since the last meeting. He makes clear all about the operation of the different services such as gardening, cleaning, security, etc. He highlights that all the services have been subcontracted with independent companies that have been asked to produce more quotes in order to optimise the service and the costs for this coming year.

Item 2

The administrator takes the floor and explains that just as agreed in previous meetings, the 2003-2004 accounts, from October 1st 2003 until September 30th 2004, have been audited (see attached auditor's report). After reading the report, Mr Horst Erbacher said that after checking carefully the expenses with the administrator, he wants to ask the President, acting as president and developer, about some invoices, particularly those for security, cleaning and the installation of cameras.

Mr Bakker answers that he will comment on the said invoices after the meeting with the new ruling committee but he makes clear that as President and together with the administrator he has executed the passed budget in such a way that the expenses have been less than the budget, both in ordinary items and in the items for the implementation.

After an exchange of opinions it is put to a vote and the year accounts are passed by majority.

It is proposed to amend the agenda, in order to discuss the late payers first, and after the election of charges in order to discuss the budget with the new ruling committee. Motion carried by unanimity.

Item 4

The late payers list up to September 30th is produced and passed by unanimity. The president to be is empowered to appoint lawyers and attorneys at court for to claim at court the said assessments due.

LATE PAYERS AGM 2004

APT	PROPRIETOR	ASSESSMENTS DUE (EUROS)
106	FOX, SAMANTHA	1,878.49
111	ORR, JOHN	2,640.29
112	KOSTER, PAUL	891.05
114	MOLLOY	651.71
207	GAYLOR, WEDGE	1,394.36
208	REYNOLDS, MARK	3,655.92
209	WARE, ROBERT	846.77
212	DEAN, JAMES	656.20
215	REYNOLDS, MARK	3,800.99
304	BARNETT, MICHAEL	641.21
308	REYNOLDS, MARK	3,655.92
315	FLANAGAN, RONALD	419.38
402	BAKER, EDWIN	2,613.92
404	MOSS, WILLIAM	1,155.92

405	TRECO, GUISEPPE	2,107.54
406	MARSHALL, ALISTAIR	1,386.34
409	OENNING, EDUARD	2,490.69
414	HAYDEN, DAVID	839.64
415	AHLEFELD, ENGEL	2,483.36
501	PHILPOT, JAMES	641.22
506	DUBBERLEY, PAUL	1,867.97
511	VAN DEN VOSSENBERG	707.85
515	WALSH, EDWARD	3,392.73
601	BURGELS, MR	35.23
604	WHITE, MARK	3,655.92
607	GRAY, ROGER	1,884.58
609	DE JONG, RONALD	1,179.00
610	DE JONG, RONALD	897.65
611	DE JONG, RONALD	709.70
614	DOVE, RONALD	1,265.79
615	BUCKLEY, PATRICK	2,247.84
701	PAGE, JOHN	1,274.73
702	LEVENSON, ANDREW	1,640.29
705	RATCHFORD, ELLEN	2,453.46
706	MANN, MICHAEL	670.43
708	WEINRABE, MAURICE	2,815.68
710	WRIGHT, RICHARD	98.60
712	VAN DER HORF	2,970.21
801	LACEY, JOHN	3,371.94
804	O'CALLAGHAM, MICHAEL	1,816.19
904	CLARK, MR	3,655.92
905	MITCHELL, STEVE	637.23
906	KUDAM TRADING LTD	2,342.45
911	DIGHY, BROWN	2,155.13
912	BROOME, DARYL	641.22

TOTAL

79,438.64

Item 6

As Mr Jos Bakker had announced recently that he was resigning his position as president, the committee, therefore, takes control and manages the position of president.

Mr Howarth, Mr Erbacher and Mrs Senker are nominated for the positions of president, vice-president and spokesperson respectively. Following a vote, they are unanimously elected for the positions mentioned above.

With respect to the administration, Mr Howarth as the new president informs the people present at the meeting that he has checked the quote prepared by the current administration for the following year and that he has offered an alternative lower quote from the company Intercala.

Mr Balmaseda de Ahumada, as the administrator and director of Golf Valley, informs the people at the meeting of his disagreement publicly by stating that the quote that he had presented had been prepared by Mr Howarth, Mr Erbacher and himself at Mr Erbacher's home and that they had also checked together each item in the quote.

Mr Howarth and Mr Erbacher disagree with Mr Balmaseda de Ahumada's statement. Mr Balmaseda de Ahumada does not continue with the discussion after noticing from the beginning Mr Howarth and Mr Erbacher had the intention to change the administrator.

Mr Howarth asks for permission for the representative of the company Intercala to present their quote and their administration procedures before starting the vote.

The representative for Intercala enters the meeting room and gives her presentation. Following on from the presentation, a vote is conducted after a long discussion and exchange of opinions. The outcome of the votes are as follows:

Mr Carl Bakker informs Mr Howarth that many of his proxies cannot vote because they have debts. Furthermore, he has evidence that the owners that

have given him their proxies are satisfied with Golf Valley Administration and that he is going to use them to vote against a new administration.

For Golf Valley: 101 102 108 110 201 202 204 210 214 305 311 314 403 412 503 504 514 603 706 714 802 804 809 814 815 901 907 912 914 915

31 votes and 24.29%

For Intercala: 115 203 211 301 302 303 306 307 310 401 407 408 411 502 508 509 510 608 612 703 704 707 709 711 715 805 807 808 811 812 909 910


32 votes and 24.65%

Abstentions 105 512 206

3 votes and 2.43%

After the outcome of the vote, Mr Balmaseda de Ahumada states that the difference in votes is 1 vote in favour of Intercala and therefore they have obtained the majority vote, but the coefficients are still unknown. Mr Balmaseda states that the result is very close because of the promoting performed by the new committee against Golf Valley Administration and in favour of Intercala. He congratulates the new administration and after saying goodbye to the people present at the meeting he leaves. The committee together with the new administration continue with the other items on the agenda.

Signed

Francisco Jos  Balmaseda de Ahumada

On behalf of Golf Valley Administrations S.L

Section 3

The following minutes were prepared by Intercala.

CDAD. CALA HILLS FASE I

Continuation of the Minutes of the Annual General Meeting held on the 11th November 2004.

At this moment of the Meeting and with the same attendance, Ms. Ló zara Barranquero Arroyo representing Intercala Asesores, S.L. took the place of the Administrator. She thanked the Meeting for the confidence that was being placed in her company and explained that her company is placed in La Cala de Mijas. She then answered some question and carried out with them Meeting.

Following the item of the election of officers, she proposed that all cheques be signed by herself jointly with any of the Governing Board; this proposal was unanimously approved.

Approval of the budget for the period 1st October 2004 to 30th September 2005.

Ms. Barranquero presented the budget for that period which was unanimously approved as follows:

JARDIN y PISCINA / GARDEN & POOL	
Mantenimiento / Maintenance	87.000,00
(IVA incluido / VAT included)	
Análisis / Pool analysis	1.000,00
Análisis / Pool analysis	
Material vario piscina / Miscelanea pool	2.000,00
Material vario jardin / Miscelanea garden	4.000,00
REPARACIONES Y CONSERVACIÓN / REPAIRS & MAINTENANCE	
Limpieza escaleras / Stairway cleaning	36.000,00
Desratización / Pest Control	2.000,00
Reparaciones Generales	6.000,00
Mantenimiento Ascensores / Lift Maintenance	12.000,00
Instalación contra incendios / Fire security system	3.000,00

maintenance	
Mantenimiento Porteros y Telecomunicaciones	
Intercom and Digital Maintenance	6.000,00
SUMINISTROS / UTILITIES	
Electricidad	15.000,00
Agua	20.000,00
ADMINISTRACIÓN Y GESTIÓN / ADMINISTRATION AND BANK	
Honorarios Administración / Administration Fees	12.930,00
IVA Administración / VAT Administration Fees	2.070,00
Material Oficina / Office Materials	1.000,00
Gastos Bancarios / Bank Charges	500,00
Traductor / Interpreter	
SEGURO DEL EDIFICIO / BUILDING INSURANCE AND PUBLIC LIABILITY	6.000,00
IMPREVISTOS / UNFORESEEN	10.000,00
FONDO DE RESERVA / RESERVE FUND	16.500,00
NETO / NETT	243.000,00
MANTENIMIENTO ADSL / ADSL MAINTENANCE	33000,00
SEGURIDAD / SECURITY	72000,00
TOTAL / GRAND TOTAL	348.000,00

Allocation per property:

Apto.	Cuota	Trimestral	Anual
101	0,88	3.062,40	765,60
102	0,67	2.331,60	582,90
103	0,67	2.331,60	582,90
104	0,88	3.062,40	765,60

105	0,88	3.062,40	765,60
106	0,67	2.331,60	582,90
107	0,67	2.331,60	582,90
108	0,88	3.062,40	765,60
109	0,88	3.062,40	765,60
110	0,67	2.331,60	582,90
111	0,67	2.331,60	582,90
112	0,88	3.062,40	765,60
114	0,90	3.132,00	783,00
115	0,91	3.166,80	791,70
201	0,88	3.062,40	765,60
202	0,67	2.331,60	582,90
203	0,67	2.331,60	582,90
204	0,88	3.062,40	765,60
205	0,88	3.062,40	765,60
206	0,67	2.331,60	582,90
207	0,67	2.331,60	582,90
208	0,88	3.062,40	765,60
209	0,88	3.062,40	765,60
210	0,67	2.331,60	582,90
211	0,67	2.331,60	582,90
212	0,88	3.062,40	765,60
214	0,90	3.132,00	783,00
215	0,91	3.166,80	791,70
301	0,88	3.062,40	765,60
302	0,67	2.331,60	582,90
303	0,67	2.331,60	582,90

304	0,88	3.062,40	765,60
305	0,88	3.062,40	765,60
306	0,67	2.331,60	582,90
307	0,67	2.331,60	582,90
308	0,88	3.062,40	765,60
309	0,88	3.062,40	765,60
310	0,67	2.331,60	582,90
311	0,67	2.331,60	582,90
312	0,88	3.062,40	765,60
314	0,90	3.132,00	783,00
315	0,91	3.166,80	791,70
401	0,88	3.062,40	765,60
402	0,67	2.331,60	582,90
403	0,67	2.331,60	582,90
404	0,88	3.062,40	765,60
405	0,88	3.062,40	765,60
406	0,67	2.331,60	582,90
407	0,67	2.331,60	582,90
408	0,88	3.062,40	765,60
409	0,88	3.062,40	765,60
410	0,67	2.331,60	582,90
411	0,67	2.331,60	582,90
412	0,88	3.062,40	765,60
414	0,90	3.132,00	783,00
415	0,91	3.166,80	791,70
501	0,88	3.062,40	765,60
502	0,67	2.331,60	582,90

503	0,67	2.331,60	582,90
504	0,88	3.062,40	765,60
505	0,88	3.062,40	765,60
506	0,67	2.331,60	582,90
507	0,67	2.331,60	582,90
508	0,88	3.062,40	765,60
509	0,88	3.062,40	765,60
510	0,67	2.331,60	582,90
511	0,67	2.331,60	582,90
512	0,88	3.062,40	765,60
514	0,90	3.132,00	783,00
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612	0,88	3.062,40	765,60
614	0,90	3.132,00	783,00
615	0,91	3.166,80	791,70
701	0,88	3.062,40	765,60

702	0,67	2.331,60	582,90
703	0,67	2.331,60	582,90
704	0,88	3.062,40	765,60
705	0,88	3.062,40	765,60
706	0,67	2.331,60	582,90
707	0,67	2.331,60	582,90
708	0,88	3.062,40	765,60
709	0,88	3.062,40	765,60
710	0,67	2.331,60	582,90
711	0,67	2.331,60	582,90
712	0,88	3.062,40	765,60
714	0,90	3.132,00	783,00
715	0,91	3.166,80	791,70
801	0,88	3.062,40	765,60
802	0,67	2.331,60	582,90
803	0,67	2.331,60	582,90
804	0,88	3.062,40	765,60
805	0,88	3.062,40	765,60
806	0,67	2.331,60	582,90
807	0,67	2.331,60	582,90
808	0,88	3.062,40	765,60
809	0,88	3.062,40	765,60
810	0,67	2.331,60	582,90
811	0,67	2.331,60	582,90
812	0,88	3.062,40	765,60
814	0,90	3.132,00	783,00
815	0,91	3.166,80	791,70

901	0,88	3.062,40	765,60
902	0,67	2.331,60	582,90
903	0,67	2.331,60	582,90
904	0,88	3.062,40	765,60
905	0,88	3.062,40	765,60
906	0,67	2.331,60	582,90
907	0,67	2.331,60	582,90
908	0,88	3.062,40	765,60
909	0,88	3.062,40	765,60
910	0,67	2.331,60	582,90
911	0,67	2.331,60	582,90
912	0,88	3.062,40	765,60
914	0,90	3.132,00	783,00
915	0,92	3.201,60	800,40
	100,00	348.000,00	87.000,00

And there being no further business to discuss, the Meeting closed at 14.15 hrs of the same day and at the same place.

Seen by.

THE PRESIDENT

THE SECRETARY-ADMINISTRATOR