

## **MINUTES OF THE ANNUAL GENERAL ASSEMBLY OF THE E.U.C. SITIO DE CALAHONDA, HELD ON THE 28<sup>th</sup> OF MARCH 2019.**

The meeting was opened at 10:30 a.m., at the time of the second calling, with a total attendance of 17,19%. The President, Mr. Contreras, as usual welcomed all those present and after introducing the Board members, our lawyer and the director, he indicated that the meeting would be conducted in accordance with the rules of debate that were explained by Mrs. Castronuño. As usual, he informed those present that matters of general interest would be discussed and therefore asked everyone who had doubts or problems of a personal nature to bring these up at another time with the Board Member in charge of the matter in question.

### **Item 1.- Approval, if warrants, of previous minutes.**

The minutes of the last AGM held on the 22 March 2018 had been sent to all the owners and no objection had been received within the time limit. **A vote was taken and the minutes were unanimously approved.**

### **Item 2.- Presidents report:**

Mr. Contreras informed about the most relevant issues since his report in the annual booklet that was sent together with the assembly summons documents. He also informed about the current situation regarding the decision of the Town Hall of taking over urbanisations and that it seems to have come to a halt due to the nearby elections. There is an item on the Agenda for this matter. He pointed out that we presented some proposals to the Town Hall within the participative budgets that were rejected. We asked for the improvement of the access to the beach, for a sports area and for the improvement of the access to calle Huelva. He mentioned that we have endured some Endesa works on Avda. De España and calle Jaen for quite some time, though they have finally finished, with some delay, and at least we have managed to get them to asphalt the whole road strip instead of just the trench.

With respect to security, he informed that we receive a summary with all the actions carried out by the company during the year that he showed to those present. He pointed out the great work they do and their importance in the prevention of criminal acts. It is important to point out the assistance they can give in the event of squatters and especially how to avoid them by installing an alarm.

With respect to the garden rubbish collection service, he pointed out that we continue working to improve the collection points and at the same time try to avoid gardeners coming from other urbanisations to through their rubbish. Lastly, he thanked the Directors and the staff of the Entity for their work during this year and pointed out that the EUC, through Facebook, website, magazine and emails tries to keep the residents informed of all the most relevant issues.

Once he had finished his report, a period for asking questions was opened.

Mrs. Poncin, from the community Los Rosales, asked if garden rubbish collection points were going to be eliminated. She was informed that not for the time being.

Mr. Rolle from the community Cielos thinks that the security company should keep an eye on illegal dumping. He was informed that they already have instructions to do so.

Mr. Harboe, from the community El Puente III didn't agree with the request for the change of use of the dog park for a sports area. Mr. Contreras explained that we have asked to share part of the land of the dog park. Of the 12.000 m2, only 1.000 m2.

**Item 3. – a) Auditors Report 2018.**

**b) Appointment of Auditors for the year 2019.**

Mr. Joseph Fay of UHF Fay & Co. pointed out that their report had been sent to all the neighbours together with the summons documents and mentioned that they had carried out all the audit evidence in accordance with the regulations in this matter with no limitation. The result is an entirely clean report with no incidents and therefore there are no exceptions which means that the accounts are a completely accurate image of the reality. In his opinion, the resources are well managed and there is a good management of the accounts. The financial situation and funds of the EUC are solid. He pointed out the increase in debtors, but the appropriate steps are being taken to recover those debts.

A period for asking questions was opened. Mr. Van Beusekom from the community Star 7, Blq. 1 and 2, mentioned the problems with the change of ownerships and the lack of information given by the vendors to the entity. Mr. Arteaga informed that it is mandatory to do so according to the statutes and the Law and if they don't, they could still be responsible for paying the debts on the property should there be any.

Mr. Marshall from the community Monteparáiso Phase 8, asked how come there were no interests on the accounts with the amount of income from the fees. It was explained that not all the amount invoiced is collected and what is collected is spent during the year and therefore the availability of the fees is not total. With no further questions regarding the auditor's report, the approval in respect of the Auditors' Report was voted. **The Auditors' Report was unanimously approved. b) Appointment of Auditors for the year 2019.** Mr. Contreras proposed the re-election of UHY Fay & Co. as auditors for the year 2019. **It was voted and unanimously approved.**

**Item 4. - Approval, if warrants, of the Accounts of the year 2018, as well as of the outstanding debts at 31<sup>st</sup> December 2018. Authorisation to the President of the Entity to take legal actions against debtors.**

Mr. Björklund did a presentation on the arrears by means of a chart with percentages that showed the actions being taken. This way, 20% have payment agreements, 29% are at Court, 15% are being prepared for Court, 5% have been collected, 27% are being claimed by the bank and the remaining 4% are in the process of being claimed through registered letters and lawyer. He explained the procedures that the administration office carries out in order to collect the fees. A period for asking questions was opened.

Mr. Harboe wanted to know what percentage of the fees corresponded to communities. Pointed out was that we don't have that exact information but it was approximately 70%.

Mr. Eilertsen from calle Sevilla pointed out that during the past months we had been able to reduce the debtors, but that this year it had slightly increased and asked if it was something circumstantial or a change of tendency. Mr. Björklund pointed out that we don't yet know for sure due to the Brexit uncertainty and the possible decline of the economy, but we hope it is something circumstantial. However, he pointed out that we mustn't be worried because the fee collection level continues to be over 90%.

Mr. Rolle from Cielos asked about some debtors in particular and these were explained to him. He asked if it was possible to indicate the situation of each debtor in detail and he was informed that this was internal documentation of the office, but he could pass by the office to consult it if he wanted to know the situation of each debtor.

Mr. Van Beusekom from Star 7, Blq.1 and 2, pointed out that some communities pay individually and asked if a community should pay individually or jointly. Mr. Arteaga pointed out that the statutes establish that communities have to pay jointly, nevertheless, the Board of Directors can opt to collect the fees individually under exceptional circumstances.

Mr. Eilertsen from calle Sevilla asked about the investment expense. Mr. Björklund pointed out that in 2017 there were amounts budgeted and approved that didn't get used that year due to the delay in getting the building licenses, therefore they were carried out in 2018. If we look at the result of 2017, there is a surplus of 139.600.-€ that coincides with the investment carried out in 2018.

Mrs. Poiana didn't agree and thinks that each of the works to be carried should have been detailed.

With no further questions, **the approval of the accounts for the 2018 financial year was voted and approved with the abstention of Mrs. Poiana. Then the voting of the outstanding debts and authorisation to the President of the Entity to take legal actions against debtors, which was unanimously approved.**

#### **Item 5. – Approval, if warranted, of the budget for the 2019 financial year.**

Mr. Björklund informed that the proposed budget for this year had been sent out to all the owners together with the summons documents. He pointed out the progress of the budget in comparison to the fees, from 2001, the fees have remained basically the same thanks to the increase of dwellings. Also, if we compare the evolution of the fees with the CPI we can see how the average fees paid by each property to the EUC are below the inflation. In this period, we have gone from 144.-€ to 168.-€ for 2019. Subsequently he explained the most relevant items on the budget and mentioned that it includes a 1,5% rise for the staff salaries and a reduction of the improvements item thanks to the works carried out in the past years. The proposed budget includes a 5% reduction and contemplates a reduction in director's fees. The proposed budget amounts to 1.140.500.-€

A period for asking questions was opened. Mr. Harboe from El Puente III pointed out that there was also a reduction in the budget's reserve fund. It was pointed out that this reduction has been made as we have sufficient funds already.

Mr. Eilertsen from calle Sevilla asked if this reduction in investments would cause a degradation of the urbanisation. He was informed that this reduction is motivated because all the necessary projects for 2019 have been included and will be carried out by EUC staff which gives us greater savings. Mr. Eilertsen also pointed out that the Board Member's fees shouldn't be reduced, Mr. Harboe and Mr. Rolle agreed with this and therefore wanted to vote on maintaining the amount of the fees.

Mrs. Poiana from the community La Orquídea pointed out that she was happy with the reduction of the budget and the reduction of the fees and understood that it was gesture to be applauded. However, she wanted to know if the reduction of the budget was due to the possibility of the Town Hall taking over the services. She was informed that the reduction was not motivated by this possibility but by objective criteria on the improvement projects to be carried out this year. Mrs. Poiana asked if the Town Hall were to take over, if they would subrogate the staff. Mr. Contreras informed that this would be discussed in Item 8 of the Agenda, but said that we are asking the Town Hall for the subrogation.

Mr. Harboe insisted on the possibility of voting, a vote for not reducing the Board of Directors fees was taken with the following result, in favour 6,27%, abstentions 3,71%, against 6,36%, therefore the proposal is rejected. With no further questions, Mr. Contreras asked for the voting of **the proposed budget for the 2019 financial year, which was unanimously approved. The approved budget is the following:**

	2019	2018	%	Expenses 18
<b>I.- Maintenance &amp; repairs</b>				
1.1. Operative services personnel costs	263.400,00	263.400,00	0,00%	263.986,08
1.2. Gardens	14.400,00	15.400,00	-6,49%	13.533,81
1.3. Improvements	24.550,00	44.500,00	-44,83%	197.811,12
1.4. Roads	18.500,00	50.000,00	-63,00%	30.468,43
1.5. Vehicles	8.700,00	8.700,00	0,00%	9.016,75
1.6. Fire precautions	5.500,00	10.000,00	-45,00%	7.848,73
1.7. Garden rubbish collect.	69.500,00	65.000,00	6,92%	59.400,00
1.8. Cleaning of streets	2.500,00	2.500,00	0,00%	2.075,00
1.9. Others	2.000,00	2.000,00	0,00%	1.803,10
<b>Total I</b>	<b>409.050,00</b>	<b>461.500,00</b>	<b>-11,37%</b>	<b>585.943,02</b>
<b>II.- Professional services</b>	<b>54.650,00</b>	<b>54.650,00</b>	<b>0,00%</b>	<b>52.926,71</b>
<b>III.- Security service</b>	<b>440.000,00</b>	<b>440.000,00</b>	<b>0,00%</b>	<b>434.445,62</b>
<b>IV.- Insurance</b>	<b>9.950,00</b>	<b>8.900,00</b>	<b>11,80%</b>	<b>10.505,32</b>
<b>V.-Electric, water, petrol consumpt.</b>				
5.1. Water consumption	10.000,00	10.000,00	0,00%	5.341,26
5.2. Petrol consumption	12.000,00	12.000,00	0,00%	11.448,45
<b>Total V</b>	<b>22.000,00</b>	<b>22.000,00</b>	<b>0,00%</b>	<b>16.790,71</b>
<b>VI.- Administration office</b>				
6.1. Personnel cost	134.850,00	132.000,00	2,16%	132.553,94
6.2. Office expenses	7.000,00	7.000,00	0,00%	7.443,77
<b>Total VI</b>	<b>141.850,00</b>	<b>139.000,00</b>	<b>2,16%</b>	<b>139.997,71</b>
<b>VII.- Other expenses</b>				
7.1. Capital goods	4.000,00	4.000,00	0,00%	3.314,51
7.2. Director's fees	15.000,00	19.950,00	-24,81%	19.950,00
7.3. General expenses	5.000,00	5.000,00	0,00%	3.881,34
7.4. Conting./Emergencies	4.000,00	5.000,00	-11,11%	3.509,68
7.5 Reserve fund (art.9 HPL)	35.000,00	40.000,00	-12,50%	0
<b>Total VII</b>	<b>63.000,00</b>	<b>73.950,00</b>	<b>-14,23%</b>	<b>30.655,53</b>
<b>Total euros</b>	<b>1.140.500,00</b>	<b>1.200.000,00</b>	<b>-5,00%</b>	<b>1.271.264,62</b>

570.250€  
50% budget = ----- = 0,3447€pto  
1.653.919,18 pt

570.250€  
50% budget = ----- = 83,86€ud.  
6800 uds.

**Item 6. - Election of Officers: President and Board of Directors 2019.**

Mr. Contreras informed that this year there were six candidates for the Board of Directors, that are the following: Mrs. Bladh, Mr. Björklund, Mrs. Castronuño, Mr. Cuevas, Mr. Nicholls and Mr. Ruiz, and one candidate for President that is Mr. Contreras. **The election of candidates for the Board of Directors was voted and unanimously approved.** He also informed that there was only one candidate for President, Mr. Contreras. **A hand vote was taken and the candidate Mr. Contreras was elected President of the EUC and it was unanimously approved.**

**Item 7.- Report on matters of interest that affect the urbanisation. Measures to be taken.**

The president explained the payment agreements reached with the community Valleverde and the community La Orquídea and they were unanimously approved. On the other hand, he informed about the agreement for the fees settlement with La siesta Golf Club as well as the rectification of the fees due to it including part of green area. It was recalled that the Club is an added value to the urbanisation and therefore is a benefit to the owners and for the value of their properties. After clarifying several queries, it was unanimously approved.

**Item 8.- Proposal of agreement with Mijas Town Hall for the provision of services in the urbanisations. Authorisation, if warrants, to the Board of Directors for reaching agreements.**

Mr. Contreras explained in detail the agreement for the granting of services presented to the Town Hall that is being studied by the juridical services, the auditor and the municipal secretary. This agreement contemplates the reception of the building works of the urbanisation together with a multiannual plan of 10 years for the Town Hall to gradually take over the services currently given by the EUC Sitio de Calahonda. During that time, the EUC would complement those services if they are insufficient or eliminate them if they are adequate. This way, if the services given by the Town Hall are adequate to our needs and standards, we would reduce the budget. Once we reach the ten years, it would correspond to the owners at the Assembly to dissolve the entity or continue with those services, such as security, which they may consider appropriate to maintain. The idea of reaching this type of agreement with the Town Hall emerges from the Board of Directors as a way to control the situation and avoid the uncertainties of the different political groups that govern at the time and could cause prejudice to our management, both in collecting the fees and in the management and quality of the services. With the signing of this agreement, we would have a signed commitment that must be complied with by the Town Hall and this way eliminate the uncertainties derived from a reception. It was informed that at present we don't have any news from the Town Hall regarding our request and therefore at this point we ask for authorisation to the Board of Directors to reach the best agreement possible, which would then have to be ratified by the Assembly. Some attendees raised several questions that our Lawyer clarified. Mr. Arteaga pointed out that the aim is to control the situation by a signed agreement monitored and controlled by us, of obligatory compliance by the local government. He also pointed out the possibility of continuing as up to date, that is, not go ahead with the reception of the urbanisation. Mrs. Poiana pointed out that we couldn't vote this proposal, because, in her opinion, there hasn't been sufficient information given on this matter at this meeting and therefore a new extraordinary meeting should be convened including the agreement that would be signed. It was made clear that it is not about approving an agreement in particular, but to authorise the Board of Directors to conclude the best agreement possible. Then, that agreement would be presented at the AGM for it to be ratified. Authorisation to the

Board of Directors to reach an agreement for the reception and provision of services by Mijas Town Hall was voted, it is approved by majority with the vote against of Mrs. Poiana.

**Item 9.- Proposals from the owners in accordance with article 23.3 of the Statutes:**

Since no proposals had been made, the meeting moved on to the following Item.

**Item 10.- Any other business.**

Mr. Van Beusekom thanked the work carried out and effort of the Board of Directors and in particular for resolving the problem in calle Conde de Jordana.

With no further questions, Mr. Contreras closed the meeting.

César Contreras González  
President

William Frederick Nicholls  
Secretary