

## **MINUTES OF THE ANNUAL GENERAL ASSEMBLY OF THE E.U.C. SITIO DE CALAHONDA, HELD ON THE 22<sup>nd</sup> OF MARCH 2018.**

The meeting was opened at 10:30 a.m., at the time of the second calling, with a total attendance of 19,41%. The President, Mr. Contreras, welcomed all those present and introduced the Board members, our lawyer and the director. Then he indicated that the meeting would be conducted in accordance with the rules of debate as had been the custom in previous Assemblies. Mr. Contreras explained these rules. 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 28 March 2017 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 approved with the vote against of the president of Orquídea (Gina Poiana) and the president of Terrazas (Patricia González).**

### **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 we don't have the result of the audit and therefore must wait until we have all the details and position of the Town Hall before summoning another assembly. He also informed of the numerous requests sent to the Town Hall such as road cleaning, wild boar control, cooperation in the cleaning of green areas, asphaltting of roads, etc. But we haven't received any reply whatsoever.

With respect to security, he informed that we renewed the contract with the company Franjus thanks to the good results we are having in the reduction of incidents and robberies and after having improved the vehicles, the uniforms as well as having a defibrillator for emergencies. Our security guards have received many special mentions from the Guardia Civil, Town Hall and Local Police for their cooperation and the good service carried out.

He also mentioned that we have presented to the Town Hall the action plan in matters of fire prevention for the year 2018 for it to be included on their plan.

With respect to infrastructures, he pointed out that the works carried out by an external company on Avda. De los Jardines had started as well as other improvement works carried out by the operative services of the E.U.C.

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

Mr. Harboe, President of El Puente III asked what the consequences would be if the Town Hall took over our urbanisation. Mr. Contreras informed him that our Statutes include this possibility and if necessary an extraordinary meeting would be summoned in order to decide if to dissolve the Entity. In the event of opting for the dissolution, it would be the Town Hall who carries out the services within the urbanisation.

Mr. Barquero, representing the Business Centre (Centro de Negocios) and Mertramar, asked about the possibility of becoming independent from the Town Hall from a legal point of view as he feels we are paying twice for the same services. Also with respect to security, he pointed out that many properties have their own security systems installed and that we have the State Security Forces and the Local Police and therefore he understands that it should be the Town Hall who improves the security and not the EUC. Mr. Arteaga replied that it is not a case of being independent, as we do not fulfil the legal requirements to do so. The possibility we have

would be reaching an agreement with the Town Hall for providing the services or that the Town Hall takes over the urbanisation and they give the services and dissolve the Entity. He explained that the EUC took Mijas Town Hall to Court through a Contentious Procedure to claim that they give us services, but the judges didn't evaluate the matter and rejected our claim, from that moment the Board of Directors hasn't ceased in trying to sign a cooperation agreement for the Town Hall to give services, but they have never wanted to sign agreements, with the exception of the public lighting that is the only service they are giving.

Mrs. Poiana, president of La Orquídea, understands that if the Town Hall gives the services these don't necessarily need to be deficient as they give services in La Cala or Las Lagunas very efficiently. She feels that the neighbours are being scared in order to influence them in their decision, also if the EUC disappears there is the option of creating a neighbours association. Mr. Contreras said that there is no intention of scaring anyone, but that the majority is in favour of the services being given by the Town Hall at the same level that we currently give them and that those that the Town Hall doesn't give, the Assembly may decide if they want to continue with the EUC to give those services or dissolve the entity.

Mr. Lündström, President of La Cornisa wanted to know what measures the Board of Directors could take against the wild boars. Mr. Contreras informed him that with the current legislation, it is under the competence of the Junta de Andalucía and the Town Hall. All we can do is inform the neighbours of the prevention measures that can be taken and put pressure on the competent authorities for them to act.

Mr. Rolle from Cielos mentioned that the relationship between the Town Hall and the EUC was very poor as the services the Town Hall gives in our urbanisation are minimum. He thinks we should wait until we know the real intentions of the Town Hall to be able to have another Assembly to discuss possible alternatives. He doesn't feel that we are paying double as the services provided by the EUC are sufficient for its maintenance and the municipal taxes provide other services such as education, transport, sports, ... Mr. Arteaga intervened to point out that there is no point in discussing about the Town Hall right now when we don't even know the result of the audit and we don't know the real intentions of the Town Hall. We will have to hold another meeting in the future when we know something specific regarding the position of the Town Hall.

Mrs. González from Terrazas asked the president if the number of domestic rubbish container points could be increased at the higher part of the urbanisation as there aren't many. She also requested a garden rubbish container near her community. Mr. Contreras informed her that the domestic rubbish service does not depend on the EUC as it is the Town Hall through a hired company who gives the service. Themselves, through their administrator must apply for a rubbish point nearer to their community. With respect to the garden rubbish, we will study the matter.

Mr. Barbero from Avda. De España pointed out that at the informative meeting we already informed about the matter regarding Town Hall and that he was satisfied with the current situation because the EUC gives a very efficient service at a very low cost and therefore he is in favour of keeping the EUC and that the Town Hall only moves on political reasons and has no interest whatsoever in the quality of the services given in the urbanisation. Mr. Harboe, President of El Puente III agreed with the comments of Mr. Barbero, politicians move towards where they have more votes and here they don't have them.

Mrs. Poiana pointed out that there shouldn't be second class neighbours just for living in an urbanisation and that we should have the same services that they get in La Cala without having to pay more taxes.

Mrs. Vandendries said that she has suffered in her home the position of the Town Hall when they requested an alignment of the house that has cost her more taxes and a delay in the works.

Mr. Arteaga insisted that once we have the necessary information it will be presented to the neighbours for the Assembly to take a decision.

With no further questions, Mr. Contreras thanked the EUC staff, both the office personnel and operative services, for their good work.

**Item 3. – a) Auditors Report 2017.**

**b) Appointment of Auditors for the year 2018.**

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 which means that the accounts of the EUC showed a completely accurate image of the accounts without exceptions and all the transactions have been carried out correctly.

A period for asking questions was opened. Mrs. Poiana asked if the report is carried out only on the invoices that the EUC send them. Mr. Fay informed that they carry out all the auditing during a week without any restrictions on books, invoices, bank statements, etc. If it weren't this way they would have to report the exception.

Mr. Barquero asked if there were any incidents on 2017 accounts with respect to the year 2016 that could affect the current year. Mr. Fay pointed out that they haven't found any relevant facts that could affect the accounts of the year 2018.

With no further questions regarding the auditor's report, the approval in respect of the Auditors' Report was voted. **The Auditors' Report was approved with the abstentions of Terrazas and Mr. Barquero.**

**b) Appointment of Auditors for the year 2018.** Mr. Contreras proposed the re-election of UHY Fay & Co. as auditors for the year 2018. **It was voted and approved with the abstentions of Terrazas and Mr. Barquero.**

**Item 4. - Approval, if warrants, of the Accounts of the year 2017, as well as of the outstanding debts at 31<sup>st</sup> December 2017. Authorisation to the President of the Entity to take legal actions against debtors.**

Mr. Contreras pointed out that all the owners had received the documentation relating to the accounts for the year that has ended and therefore a period for asking questions was opened. Mr. Barquero was concerned about the high figure of debtors and wanted to know if the appropriate measures were being taken in order to collect the debts. He also wanted to know what measures were being taken to reduce the expenses each year. Mr. Björklund informed that in EUCs it isn't a case of reducing expenses but rather using the budget efficiently. Reducing expenses would mean reducing services and this is something the Assembly has to approve with the budget. With respect to the debtors he presented a report with the situation of the debt. By means of a graph he showed the evolution of the fee collection from 2001 to 2017, where we can see that this year we have reached 93,89% of collection, a record figure. He also explained with another graph the different actions taken against debtors, this is, those that have been taken to court, payment agreements, lawyer letters and files for the court and those in hands of the banks or about to be taken over by them. Mr. Rolle feels that the amount of debtors is very high and asked us to put as much effort as necessary to collect the debts. He also wanted to know the amounts that we can actually collect and the amount that would have to be considered unrecoverable. Mr. Arteaga replied that all the debt is considered collectable, unless a court sentence decides otherwise. The problem resides in the Fuengirola Courts that are totally collapsed and also, on many occasions they have no way of notifying the debt which delays the proceedings. Mrs. Poiana wanted to know the situation of each debtor and know when each one was going to be collected. She was informed that she can pass by the

office to see each specific case. With no further questions, **the approval of the accounts for the 2017 financial year was voted and approved with the vote against of Mr. Barquero and the abstentions of Mrs. Poiana, Mrs. González and Mrs. Poncín from Calle Almería. 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 2018 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 they are below the inflation and that proves the efficiency of the EUC management. He also explained that the average fee paid by each property in the EUC is of 176.-€ and that more than 72% of the members pay less than 150.-€/year (12,5.-€/month). He pointed out that each year we collect 90% of the fees plus another 10% of delayed fees that enables us to cover the totality of the budget. Subsequently he explained the most relevant items on the budget and mentioned that it includes a 1,5% rise for the staff salaries at the discretion of the President regarding the rise per worker and the amount of the same. The proposed budget amounts to 1.200.000.-€ and remains the same as last year.

A period for asking questions was opened. Mr. Rolle proposed an additional pay rise of 0,5% to the salaries due to the seniority of the personnel and the good service they carry out. Mr. Björklund agrees with this proposal, but it must be the Assembly who approves it. Mrs. Poiana says that the budget cannot be modified as it has already been sent out to all the owners. It is made clear that what is sent out is a budget proposal and that the Assembly decides its approval, modification or rejection. Mrs. Poiana proposes that if salaries rise 0,5% to deduct the amounts from the directors fees. On the other hand, she wanted to know why there was an item for roads when it should be the Town Hall who does them, neither does she understand that we include the garden rubbish collection as each gardener should be responsible. She also pointed out that there was a misprint on the final amount of the budget, it states 1.216.000.-€ instead of 1.200.000.-€ This will be corrected in the drafting of the final minutes. Mr. Contreras pointed out that we can't wait for the Town Hall to do or not do asphaltting works because the roads deteriorate and we all suffer. Should the Town Hall take over these works, we would consider these amounts as an extraordinary income. With respect to the garden rubbish, the current system works well and is a service for the neighbours.

Mr. Barquero asked why there was such a significant difference in the maintenance of roads. Mr. Contreras informed him that roads were asphalted several years ago following a yearly plan and that after so long they require asphaltting again with a new yearly plan. With respect to security, he asked if there had been a public tender. He was informed that the competence in this regard lies on the Board of Directors, an open tender is made to all the companies and after thoroughly studying them, they choose the best offer. Mr. Lundström pointed out that each year a Board of Directors is chosen and they are entrusted with the management and currently they are doing a good job. With no further questions, Mr. Contreras asked for **the voting of the proposal of Mr. Rolle to rise 0,5% the salaries of the personnel. The Proposal was rejected by majority. Then the proposed budget for the 2018 financial year was voted. The budget for the 2018 financial year was approved with the votes against of Mr. Barquero, Mrs. González and Mr. Rolle. The approved budget is the following:**

	2018	2017	%	Gastos 17
<b>I.- Maintenance &amp; repairs</b>				
1.1. Operative services personnel costs	263.400,00	260.000,00	1,31%	256.615,41
1.2. Gardens	15.400,00	15.400,00	0,00%	12.487,82
1.3. Improvements	44.500,00	68.000,00	-34,56%	26.970,04
1.4. Roads	50.000,00	24.000,00	108,33%	20.050,89
1.5. Vehicles	8.700,00	9.000,00	-3,33%	5.967,49
1.6. Fire precautions	10.000,00	15.000,00	-33,33%	11.599,06
1.7. Garden rubbish collect.	65.000,00	65.000,00	0,00%	59.400,00
1.8. Cleaning of streets	2.500,00	2.500,00	0,00%	2.304,62
1.9. Others	2.000,00	2.000,00	0,00%	1.328,87
<b>Total I</b>	<b>461.500,00</b>	<b>460.900,00</b>	<b>0,13%</b>	<b>396.724,20</b>
<b>II.- Profesional services</b>	<b>54.650,00</b>	<b>54.650,00</b>	<b>0,00%</b>	<b>53.807,90</b>
<b>III.- Security service</b>	<b>440.000,00</b>	<b>440.000,00</b>	<b>0,00%</b>	<b>434.174,39</b>
<b>IV.- Insurance</b>	<b>8.900,00</b>	<b>8.900,00</b>	<b>0,00%</b>	<b>8.594,42</b>
<b>V.-Electric, water, petrol consumpt.</b>				
5.1. Water consumption	10.000,00	10.500,00	-4,76%	8.255,09
5.2. Petrol consumption	12.000,00	12.000,00	0,00%	11.183,49
<b>Total V</b>	<b>22.000,00</b>	<b>22.500,00</b>	<b>- 2,22%</b>	<b>19.438,58</b>
<b>VI.- Administration office</b>				
6.1. Personnel cost	131.500,00	129.100,00	1,86%	129.190,02
6.2. Office expenses	7.500,00	7.500,00	0,00%	7.009,31
<b>Total VI</b>	<b>139.000,00</b>	<b>136.600,00</b>	<b>1,76%</b>	<b>136.199,33</b>
<b>VII.- Other expenses</b>				
7.1. Capital goods	4.000,00	6.500,00	-38,46%	3.694,14
7.2. Director's fees	19.950,00	19.950,00	0,00%	19.950,00
7.3. General expenses	5.000,00	5.000,00	0,00%	4.948,04
7.4. Conting./Emergencies	5.000,00	5.000,00	0,00%	3.462,98
7.5 Reserve fund (art.9 HPL)	40.000,00	40.000,00	0,00%	0
<b>Total VII</b>	<b>73.950,00</b>	<b>76.450,00</b>	<b>-3,27%</b>	<b>32.055,16</b>
<b>Total euros</b>	<b>1.200.000,00</b>	<b>1.200.000,00</b>	<b>-0,00%</b>	<b>1.205.475,70</b>

50% budget =  $\frac{600.000\text{€}}{1.653.107,18 \text{ pt}}$  = 0,3629€pto

50% budget =  $\frac{600.000\text{€}}{6800 \text{ uds.}}$  = 88,23€ud.

**Item 6. - Election of Officers: President and Board of Directors 2018.**

Mr. Contreras informed the Assembly 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 approved with the abstention of Mrs. Poiana and Mrs. González.** 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 approved with the abstention of Mrs. Poiana and Mrs. González.**

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

The matter regarding Av. España 134 who has closed an access to a green area that is considered public was debated. After discussing the matter, the Board of Directors and the President were authorised to request this neighbour to remove the closure and if they don't do so, authorise the president to initiate legal actions.

**Item 8.- 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 9- Any other business.**

Mrs. Galera from the community El Edén, mentioned that this community is isolated from the main area of the urbanisation and she ignores the services given in that area and that it seems a little unattended. We took note and will send her a letter once the matter has been revised.

Mr. Barbero mentioned that there is a lamppost that has been malfunctioning for a long time and that the Town Hall hasn't been round to repair it. It is dangerous and also the lights come on very early. We will notify the people responsible of this issue.

Mr. Luque, president of Alcores mentioned that the amount we spend on security is a third of the budget and that we should count on the Local Police and Guardia Civil coming more to the urbanisation and this way reduce this cost. He was informed that this service is an added value that improves the security of the neighbours and so the budget is approved each year by majority. On the other hand, he mentioned if there was an incompatibility between the Town Hall and the EUC for giving services in the event of a reception of the urbanisation. Mr. Arteaga informed that some services are incompatible and others aren't. What we would try to do is reach an agreement with the Town Hall to define which services each one would give.

Mrs. Poiana complained about the security service and in her opinion and her husband's (who works for Franjus) the guards aren't sufficiently diligent in their duties. She also mentioned that Franjus is having financial difficulties and that they aren't paying their personnel well.

Mr. Cuevas pointed out that, in his opinion most of the guards do a good job, reason why they have received so many special mentions from the Guardia Civil, Local Police and Town Hall. Any guard incorporated to the service that doesn't fulfil the expectations are moved to another urbanisation. In his opinion, the security is one of the most important things for the neighbours and that's why this service is maintained, furthermore he would prefer to expand this service to cover all the entrances.

Mr. Barquero pointed out that it is good to collect the suggestions mentioned regarding security.

Mrs. González pointed out that there are points on calle José de Orbaneja that are dirty and that she feels they aren't cleaned on a regular basis. She was informed that there is a weekly plan that covers the area, but we will check it out. She complained about the cutting and pruning of pine trees at the entrance. Mr. Contreras informed her that we have all the necessary permissions and that it has been carried out to improve the health of the pine trees. The person responsible from the Town Hall has supervised the works. She also asked what can be done to avoid the dog excrements. She was informed that we can denounce the owners that do not fulfil the bylaws.

Mr. Barquero mentioned a letter from the Business Centre (Centro de Negocios), we will reply once we have studied their proposals. With no further questions, Mr. Contreras closed the meeting.

César Contreras González  
President

William Frederick Nicholls  
Secretary