

MINUTES OF THE ANNUAL GENERAL ASSEMBLY OF THE E.U.C. SITIO DE CALAHONDA, HELD ON THE 31st OF MARCH 2022.

The meeting was opened at 10:30 a.m., at the time of the second calling, with a total attendance of 15,01%. The President, Mr. Contreras, 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. He also informed that due to the situation with the COVID-19, the meeting foreseen for the year 2021 couldn't be held.

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

The minutes of the last AGM held on the 30th of July 2020 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.- President's report:

As the president's report had previously been sent out, along with the summons documents, Mr. Contreras indicated that we can understand it has already been read and only added some comments on the situation with Mijas Town Hall regarding the asphaltting in the urbanisation, the approval by the Town Hall of the specifications to carry out street cleaning, as well as to control the plague of wild boars. He also mentioned that we had managed to get them to clean the streams. This way, we are trying, little by little, to reach agreements so that they provide services in the urbanisation and our budget goes down slightly every year.

On the other hand, he pointed out that we continue trying to improve the security of the urbanisation, and, for this reason, as approved at the last assembly, we have asked the Town Hall to approve the installation of license plate control cameras at the entrances of urbanisation. With respect to traffic, some informative speed control radars have been installed.

Item 3. – a) Auditors Report 2020 and 2021.

b) Appointment of Auditors for the year 2022.

Mr. Teodoro Sánchez, auditor of UHF Fay & Co. pointed out that their report had been sent to all the owners 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 for both 2020 and 2021. He pointed out that in the year 2021, motivated by the dismissal of workers, the amount of €42,000 has been provisioned for a possible claim. He highlighted the good financial situation of the EUC, and that the arrears had not increased in these years despite the COVID crisis. A period for asking questions was opened. Mr. Barquero, representative of the company Mertramar, asked several questions that he had also previously sent by mail, and Mr. Arteaga answered them. *Regarding debtors, how many procedures have been filed and since what year?* There are currently 11 procedures in force, from different years. *What is the status of the judicial collection procedures?* Some are still in the notification to the debtor phase; others are in the execution phase. *Are there embargoes on properties?* Only in cases where the judge has admitted, because in some cases the debt is considered too small to put an embargo on the property in the registry. *What quantities have been recovered?* In 2021, the amount of €99,544.68 has been recovered (€57,955 recovered from bank claims, €29,844 from payment agreements, €7,994 from extrajudicial claims and €3,763 from judicial claims). Regarding the report itself, he asked the following: *on one hand, the amount for lawyers, is it for the recovery of unpaid fees and for dismissal procedures? We request information and the lawyer expenses detailed.* The concept that this item covers is the annual legal advice of the EUC, the expenses of claiming defaulters, and other judicial and extrajudicial claim expenses. *What is*

the status of the claim in which €42,120 has been provisioned? Mr. Arteaga explained in this matter all the details of the dismissed workers motivated by the elimination of the infrastructure service in the urbanisation. It is recalled that for many years the EUC has carried out work on the infrastructures of the urbanisation and, therefore, the Town Hall has concluded in an external audit that the EUC SITIO DE CALAHONDA presents all its infrastructures in good conditions and no additional investment or work is necessary. For this reason, a dismissal has been made for objective reasons. The workers understand that this dismissal may be unfair and therefore they will initiate actions to claim a higher compensation. For this reason, in application of the principle of accounting prudence, the auditors have recommended making an accounting provision, that although it is an accounting entry, it does not imply, in any way, acceptance of the workers' claim. *What are the services provided by the company ADMINISTRACION SP Y GESTION 20 SL?* This section refers to the professional administration and management services of the EUC, amount including VAT. Mr. Arteaga informed that the Board of Directors had made the decision to subcontract the management and administration service of the EUC, which will imply savings compared to the cost that the entity had been paying up to now. Finally, he asked about the expenditure on Solar Panels, which appears in this section at the end of the audit, page 9. *Where have they been installed?* He was informed that they had been installed in the EUC office, because it has underfloor heating, and, given the high cost of energy, it has been seen as a good cost-saving option.

Mrs. Susana Díaz, President of Jardines 3, asked about the personnel expense, if this Item included the cost for the administration and dismissal. Mr. Arteaga explained that the cost of the dismissal had been covered with the EUC fund so as not to affect the budget, and that the cost would be amortised in two years. This decision had been made due to the reduced need for this administration and management service, with the consequent cost savings for the EUC in the future. Mrs. Poncin, President of Los Rosales, asked if we had considered making provisions for more dismissals, if the intention is to reduce staff, due to the increase in provision of services by the Town Hall. Mr. Contreras replied that, for the moment, we do not believe that the Town Hall will assume many more services, and that each case should be seen in particular, since there is the possibility of subrogation of personnel, and also the retirement of some of the older staff.

Mrs. Mateos, President of the Calahonda Beach Commercial Centre, asked if the amounts paid as compensation for dismissal are in accordance with the law. Mr. Arteaga replied that all the amounts paid are those legally established by law, depending on the type of dismissal, whether for objective reasons or inadmissible.

Mr. Garate of the Calahonda Beach Commercial Centre understands that the Board of Directors has taken a good decision, as this will represent cost savings. Mr. Contreras indicated that it effectively represents a cost saving that is reflected on the budget, and we hope that, in future years, it can be reduced even more.

Mr. Barquero asked if it was mandatory to have an audit. Mr. Arteaga explained that it was not mandatory, but that the Assembly agreed years ago to carry out an audit of the accounts, since it was highly recommended, taking into account the amount of the budget.

With no questions, **the Auditors' Report was unanimously approved. b) Appointment of Auditors for the year 2022.** Mr. Contreras proposed the re-election of UHY Fay & Co. as auditors for the year 2022. **It was voted and unanimously approved.**

Item 4. - Approval, if warrants, of the Accounts of the years 2020 and 2021, as well as of the outstanding debts at 31st December 2021. Authorisation to the President of the Entity to take legal actions against debtors.

Mr. Björklund did a presentation on the arrears, as well as the fee collection progress, and the situation each debtor is in. He explained the procedure that the administration office carries out in order to collect the fees. A period for asking questions was opened where Mr. Barquero asked about the increase in the Item for Security with respect to the budget for 2021. He was informed that as the budget for 2021 had been frozen due to COVID and yet the cost of security had gone up 2% by collective agreement of security, there was a difference that has now been included. On the other hand, Mrs. Poncin asked about the situation of 3 debtors, the Community Cascadas, Campos del Mar and Obras y Vías, S.A. Mr. Aparicio explained the situation of these debtors and pointed out that this year we can approve the debtors list and will be starting legal action. With no more questions, **the approval of the accounts for the 2020 and 2021 financial years was voted and unanimously approved. 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 2022 financial year.

Mr. Björklund informed that the budget proposal had been sent to all the residents together with the summons documents. He explained that the option chosen by the Board of Directors had been to reduce it, thanks to the measures taken to reduce costs, mainly, as regards staff is concerned. He made a presentation using graphs showing the progress of the fees, which for 20 years had only risen 6%, which if we take into account the effect of inflation during these years, we could speak of a budget reduction of 34%. This budget includes a 3% salary increase. He also commented that the cost of installing license plate reading cameras was included in the budget in the security section. With no further questions, Mr. Contreras asked for the voting of **the proposed budget for the 2022 financial year, which was unanimously approved. The approved budget is the following:**

	2022	2020	%	expen. 21
I.- Maintenance expenses				
1.1. Operative services personel	191.000,00	267.360,00	-28,56%	330.907,60
1.2. Gardens	15.500,00	13.400,00	15,67%	14.125,91
1.3. Improvements	0,00	28.500,00	-100,00%	30.816,77
1.4. Roads	14.500,00	18.500,00	-21,62%	22.609,47
1.5. Vehicles	4.000,00	8.700,00	-54,02%	9.921,73
1.6. Fire precaution	12.500,00	4.200,00	197,62%	3.541,66
1.7. Garden rubbish collect.	82.000,00	79.200,00	3,54%	87.912,00
1.8. Cleaning of streets	2.000,00	2.000,00	0,00%	2.116,40
1.9. Others	2.000,00	2.000,00	0,00%	1.887,72
TOTAL I	323.500,00	423.860,00	-23,68%	503.839,26
II.- Profesional services				
TOTAL II	74.000,00	84.525,00	-12,45%	83.552,78
III.- Security service				
3.1 Security service	445.000,00	425.000,00	4,71%	432.385,14
3.2 Instal. Vehicles control cameras	<u>39.500,00</u>	<u>0,00</u>	-	0,00
TOTAL III	484.500,00	425.000,00	14,00%	432.385,14
IV.- Insurance				

TOTAL IV	10.500,00	11.750,00	-10,64%	12.382,33
V.- Electric, water, petrol consumption				
5.1. Electricity consumption	2.300,00	1.000,00	130,00%	3.792,67
5.1. Water consumption	7.500,00	8.600,00	-12,79%	5.983,12
5.2. Petrol consumption	7.500,00	11.565,00	-35,15%	11.554,09
TOTAL V	17.300,00	21.165,00	-18,26%	21.329,88
VI.- Administration office				
6.1. Personel cost	74.000,00	107.000,00	-30,84%	71.189,00
6.2. Office expenses	5.700,00	5.700,00	0,00%	5.722,84
TOTAL VI	79.700,00	112.700,00	-29,28%	76.911,84
VII.- Other expenses				
7.1. Capital goods	4.000,00	3.000,00	-33,33%	1.774,35
7.2. Directors' fees	15.000,00	15.000,00	0,00%	15.000,00
7.3. General expenses	4.500,00	4.900,00	-8,16%	4.926,59
7.4. Conting./Emergencies	3.000,00	3.600,00	-16,67%	838,38
7.5. Reserve fund	30.000,00	35.000,00	-14,29%	7.861,49
TOTAL VII	56.500,00	61.500,00	-8,13%	30.400,81
Total euros	1.046.000,00	1.140.500,00	-8,29%	1.160.802,04

$$50\% \text{ ppto} = \frac{523.000,00\text{€}}{1.650.108,94 \text{ pt}} = 0,317\text{€/pto}$$

$$50\% \text{ prespto} = \frac{523.000,00\text{€}}{6817 \text{ uds.}} = 76,72\text{€/ud.}$$

Item 6. - Election of Officers: President and Board of Directors 2022.

Mr. Contreras informed that all the owners, who wish to, can present their candidature for the Board of Directors provided that they fulfil the stipulations stated on the statutes. For this year there were six candidates for the Board of Directors, that are the following: Mrs. Bladh, Mr. Björklund, Mrs. Castronuño, Mr. Aroca, Mrs. Wenk and Mr. Nicholls. He informed that there were two posts leaving the Board, Mr. Cuevas and Mr. Ruiz. Mr. Contreras informed that everyone knows the former directors and asked the two new candidates to introduce themselves to the Assembly. Then, **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 that is Mr. Contreras. 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.** Mr. Contreras extended his thanks to Mr. Cuevas and Mr. Ruiz for their work during the years they have been on the Board of Directors.

Mrs. Mateos pointed out that it would be advisable to put, in a more appropriate place, the deadline established in the statutes for the presentation of candidatures to the Board. A note was taken for the following meeting.

Item 7.- Report on matters of interest that affect the urbanisation. Measures to be taken and ratification of agreements. There are none.

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. Garvayo mentioned the problems she had this summer with the noise of neighbours who had short-term rentals. Everything we can do was explained to her, and, in the event of it being a recurring situation, it would be possible to take legal action, providing we had enough evidence to do so. It was explained that the security guards cannot go into private properties except in cases of flagrante offence or at the request of the police. She also asked about the situation of the green areas and the need to close them if possible. She was informed that it was not possible as they are public areas.

Mr. Grigore, president of Porton VI, asked about the situation of calle Las Postas, as due to its poor condition, it could cause an accident. He was informed that we have requested the Town Hall and the Ministry to repair it on several occasions and that we would insist again.

Mrs. Mateos pointed out that no services were provided in her area, and that she had been told that security post stations were going to be set up, but that she never sees the security there. She was informed that the security had orders to carry out patrols in that area, but never on private property. She also complained about the state of this road, and that she had contacted the Ministry, who told her that it was a municipal responsibility.

Mr. Donaldson, President of the C.P. La Cornisa says that the security service is excellent, but asked why the barriers are not lowered at the entrances of the urbanisation. It was explained to him that it is not possible, as the streets of the urbanisation are considered as public, they are only lowered at the request of the police and serve as a dissuasive measure. On the other hand, he said that he did not agree with the Town Hall providing all the services as they would be done poorly. He prefers that the EUC continues carrying out the maintenance services. He was told that the idea was to reach an agreement with them to provide services, but that the EUC would continue with the maintenance of the urbanisation.

Mr. Brooke, president of Solobella, pointed out that the speed control radar located on Calle Orbaneja in front of the Golf Club was not working well and that it needed to be relocated or repaired. I was taken note of.

Mr. Barquero asked about the situation of the park by the garden centre and specifically the garden centre itself, and why it was closed. Mr. Contreras told him that the contract ends this year and that we will study the different options. It was explained to him that they continue to carry out their commitments established in the agreement signed at the time. And the closure of the garden centre is due to a problem of lack of staff.

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



César Contreras González
President



William Frederick Nicholls
Secretary