

## **MINUTES FROM THE EXTRAORDINARY GENERAL MEETING OF THE COMMUNITY OF OWNERS “ESTRELLA DE ORIHUELA GOLF I”**

In Orihuela Costa, Villacosta, being 10:30 h. on Saturday 10<sup>th</sup> March 2012, duly called in time and format by the President Mrs. Christine Jones, and acting as Secretary-Administrator Mrs. María Jesús Sevilla Lizón, met on second call, as there was not a sufficient quorum on the first call, at the community, to celebrate the Extraordinary General Meeting of the Community of Owners Estrella de Orihuela Golf I, and according to the following:

### **AGENDA:**

- 1.- Administration Report. Annex 1.
- 2.- Report about actions taken regarding community damages for construction defaults. Annex 2.
- 3.- Proposal to cancel the penalty in fees. Annex 4. Voting of this point.
- 4.- Information of accounts from August to February. Debtors information. Annex 3.
- 5.- Due to the serious situation with non-payment of fees, we expose 3 proposals for budget of expenses and fees to be voted. Annex 4.
- 6.- Proposal to repair the 4 walls which are dangerous. Annex 4.

### **Attendees:**

|  |       |
|--|-------|
| Christine Jones, 3ºB nivel B (34).....       | 2,72% |
| Richard & Jane Harman, 3ºD nivel C (40)..... | 2,81% |
| Total coefficients.....                      | 5,53% |

### **Represented:**

|   |        |
|---|--------|
| Paula Jayne & Stephen Hall, Bajo B nivel B (3), repres. AGM.....                            | 2,31%  |
| Rosemary Dight, Bajo C nivel B (4), repres. Christine Jones.....                            | 2,32%  |
| Mark & Janet Michelle Herbertson, Bajo A nivel C (9), repres. Brian&Pauline Herbertson..... | 2,40%  |
| David & Patricia Agnew, Bajo B nivel C (10), repres. AGM.....                               | 2,40%  |
| José García Sánchez y Amparo Rama, 1ºB nivel B (12), repres. AGM.....                       | 2,28%  |
| Ramón Durán Hurtado y Carmen Venero, 1ºC nivel B (13), repres. AGM.....                     | 2,28%  |
| Denis Gerard & Verónica Hassett, 2ºB nivel A (16), repres. Christine Jones.....             | 2,36%  |
| Carlos García Rubio y Susana Lázaro, 1ºB nivel C (19), repres. AGM.....                     | 2,29%  |
| Gerard & Ailish Heffernan, 1ºC nivel C (20), repres. AGM.....                               | 2,29%  |
| Denis Todd & David Adair, 3ºA nivel A (26), repres. Harman.....                             | 2,97%  |
| Kathleen Haynes, 3ºC nivel A (28), repres. AGM.....   | 3,00%  |
| Martha Flynn, 2ºA nivel C (29), repres. AGM.....  | 2,31%  |
| Dean Hutchinson, 3ºC nivel B (35), repres. AGM.....   | 2,72%  |
| John & Lindsey Cleanaghan, 3ºB nivel C (38), repres. AGM.....                               | 2,69%  |
| José L. Ruiz Arjonilla y Beatriz Cirilo, 3ºC nivel C (39), repres. AGM.....                 | 2,70%  |
| Total coefficients.....   | 37,32% |

Total coefficients attendees and represented.....42,85%

Note: a couple of owners sent their voting form asking not to be represented by anybody. In all legal effects an owner can only vote in a Meeting if they attend phisically, or if they are represented by a person who is phisically attending the Meeting. In order to give the possibility to everybody to express their vote, those owners who sent their voting form will be represented by the Administrator.

The President opens the meeting, welcoming the attendees, and according to the agenda, the following agreements were taken.

### **POINT ONE.- ADMINISTRATION REPORT. ANNEX 1**

This annex was sent together with the Summons in order to dispose the necessary information to be able to vote the following points. The Administrator asked if there was any question or doubt before continuing with the Agenda items. Those presents said there were no questions.

### **POINT TWO.- REPORT ABOUT ACTIONS TAKEN REGARDING COMMUNITY DAMAGES FOR CONSTRUCTION DEFAULTS. ANNEX 2.**

Annex 2 was not just sent together with the Summons, but also sent to all owners in a previous urgent

communication at beginning of February 2012. Again, owners present were asked for questions regarding those actions at the Annex. Those present confirmed no doubts on the Annex and continued with the Agenda items.

### **POINT THREE.- PROPOSAL TO CANCEL THE PENALTY IN FEES. ANNEX 4. VOTING OF THIS POINT.**

It was explained that the current penalty that the community is applying to those who doesn't pay on time, it is not convenient for 2 reasons:

-First because it could be considered abusive from a Judge when dictating sentence in the cases of debtors. This would suppose the possibility of the community paying the legal costs of the solicitor contracted by the community, therefore it would not be very profitable to take to Court to some debtors.  
-And second, it is demonstrated, that in the case of this community, to apply this penalty is useless to reduce the level of debtors, because it is an accumulative penalty, and it doesn't make debtors to pay, it makes the existing debt to increase more and more every trimester.

(We remind you that the current application of the penalty is: a penalty of 10% applied at the end of every trimester, to those who owe more than 3 months fees, this means, more than 240 €, and it is applied to the total of the outstanding fees, therefore the big debtors accumulate penalty over penalty constantly).

The proposal is to cancel the application of this penalty, retroactively to all the current exercise, this means, from 1<sup>st</sup> August 2011 towards, as the accountancy of this exercise it is open to changes.

It is approved to cancel the penalty with 15 votes in favour and 2 abstentions.

### **POINT FOUR.- INFORMATION OF ACCOUNTS FROM AUGUST TO FEBRUARY. DEBTORS INFORMATION. ANNEX 3.**

The Administrator explains that this is an Extraordinary Meeting and owners are not going to vote on accounts or debt certificates, as this must be done only once a year according to the economical exercise of the Community (from 01/08/2011 to 31/07/2012), but the administration prepared a summary of accounts of 7 months (from August 2011 to February 2012 included) in order to dispose of all the necessary information to be able to vote on the proposals of budget in point 5 of the Agenda.

Annex 3, as it was attached to the Summons is as it follows:

| <b><u>ANNEX 3: SUMMARY OF ACCOUNTS from 01/08/2011 to 29/02/2012:</u></b> |                     |
|---|---------------------|
| <b>RESERVES at 01/08/2012.....</b>  | <b>14.984,07 €</b>  |
| Bank.Caja Murcia.....   | 3.623,03 €          |
| Several Suppliers 09-10.....  | 348,31 €            |
| Debtors.....  | 13.802,85 €         |
| Owners advances.....  | -2.140,00 €         |
| Creditors.....  | -650,12 €           |
| Hacienda IRPF.....  | -10,92 €            |
| Pool works labour..   | -500,00 €           |
| TV technic. 09-10..   | -139,20 €           |
| <b>+INCOMES BUDGETED FEES.....</b>  | <b>49.134,44 €</b>  |
| Ordinary fee (7months).....   | 22.400,00 €         |
| Extraordinary fee.....  | 19.200,00 €         |
| 10% penalty.....  | 7.534,44 €          |
| <b>-EXPENSES from 01/08/11-29/02/12 (7 months).....</b>                   | <b>-19.168,80 €</b> |
| Repairs and sundry.....   | 501,38 €            |
| Community Maintenance.....  | 8.260,00 €          |
| Lifts Maintenance.....  | 1.445,33 €          |
| Administration fees.....  | 1.092,00 €          |
| V.A.T.....  | 196,56 €            |
| Photocopies.....  | 13,70 €             |
| Correo.....   | 43,96 €             |
| Solicitor, surveyor and judicial.....                                     | 3.285,61 €          |
| Community insurance (1 <sup>st</sup> semester).....                       | 709,82 €            |
| Caja Murcia comissions.....   | 50,40 €             |
| Electricity.....  | 1.898,05 €          |
| Water.....  | 1.024,97 €          |
| Lift's telephones.....  | 218,71 €            |
| Previous exerc. regularizations.....                                      | 428,31 €            |
| <b>=RESERVES at 29/02/2012.....</b>                                       | <b>44.949,71 €</b>  |
| Bank. Solbank.....  | 3.281,97 €          |
| Debtors.....  | 44.489,58 €         |

|                      |             |
|----------------------|-------------|
| Owners advances..... | -1.620,00 € |
| Creditors.....       | -1.201,84 € |
| Hacienda IRPF.....   | -21,84 €    |
| Mainten. Febr.       | -1.180,00 € |

**POINT FIVE.- DUE TO THE SERIOUS SITUATION WITH NON-PAYMENT OF FEES, WE EXPOSE 3 PROPOSALS FOR BUDGET OF EXPENSES AND FEES TO BE VOTED. ANNEX 4.**

3 proposals of annual budget were presented. Each proposal will be shared equal parts between 40 owners, although due to the real situation with the 21 properties of the promoter, it was necessary to work the estimations of fees between the 19 properties left. Otherwise the community would never collect the necessary funds for the real maintenance of the community.

**PROPOSAL 1: KEEP CURRENT BUDGET SUPPORTED BETWEEN 19 PROPERTIES:**

(Agesul would be in debit, as the fees must always be shared between 40)

126,382 € X 19 PROP. X 12 MONTHS = 28.815,09 €

|                                     |                    |
|-------------------------------------|--------------------|
| Sundry expenses and unexpected..... | 3.000,00 €         |
| Community maintenance.....          | 14.160,00 €        |
| Lifts maintenance.....              | 2.916,44 €         |
| Administration fees.....            | 1.872,00 €         |
| V.A.T.....                          | 336,96 €           |
| Photocopies+correo.....             | 60,00 €            |
| Community insurance.....            | 1.419,64 €         |
| Bank commissions.....               | 0,00 €             |
| Electricity.....                    | 2.800,00 €         |
| Water.....                          | 1.800,00 €         |
| Lift's telephones.....              | 450,00 €           |
| <b>TOTAL.....</b>                   | <b>28.815,04 €</b> |

**PROPOSAL 2: INCREASE FEES AND REDUCE COSTS. SUPPORTING BUDGET BETWEEN 19 PROPERTIES:**

(Agesul would be in debit, as the fees must always be shared between 40)

92,00 € X 19 PROP. X 12 MONTHS = 20.976,00 €

|   |                    |
|---|--------------------|
| Sundry expenses and unexpected (reduced)... | 1.000,00 €         |
| Community maintenance(-33% approx.).....    | 9.912,00 €         |
| Lifts maintenance (1 lift).....             | 1.458,22 €         |
| Administration fees.....                    | 1.872,00 €         |
| V.A.T.....                                  | 336,96 €           |
| Photocopies+correo.....                     | 60,00 €            |
| Community insurance.....                    | 1.419,64 €         |
| Bank commissions.....                       | 0,00 €             |
| Electricity.....                            | 2.800,00 €         |
| Water.....                                  | 1.800,00 €         |
| Lift's telephones (1 lift).....             | 225,00 €           |
| <b>TOTAL.....</b>                           | <b>20.883,38 €</b> |

**PROPOSAL 3: KEEP CURRENT FEE OF 80 €, SUPPORTING BUDGET BETWEEN 19 PROPERTIES, AND REDUCING COSTS TO THE MINIMUM: (Agesul would be in debit, as the fees must always be shared between 40)**

80,00 € X 19 PROP. X 12 MONTHS = 18.240,00 €

|   |                    |
|---|--------------------|
| Sundry expenses & unexpected (*and walls) | 1.500,00 €         |
| Community maintenance(-50% approx.).....  | 7.375,00 €         |
| Lifts maintenance.....                    | 0,00 €             |
| Administration fees.....                  | 1.872,00 €         |
| V.A.T.....                                | 336,96 €           |
| Photocopies+correo.....                   | 60,00 €            |
| Community insurance.....                  | 1.419,64 €         |
| Bank commissions.....                     | 0,00 €             |
| Electricity.....                          | 2.800,00 €         |
| Water.....                                | 1.800,00 €         |
| Lift's telephones.....                    | 0,00 €             |
| <b>TOTAL.....</b>                         | <b>17.163,60 €</b> |

The result of the voting is 4 votes in favour of proposal 2, and 13 votes in favour of proposal 3.

It is approved by majority proposal 3, this means, to keep current monthly fees in 80 €, and to reduce ordinary costs according to proposal 3, proceeding to cancel both lifts service, reducing maintenance cost a 50% approx and reducing the repairs and unexpected item to the minimum.

(\*)Any surplus (if so) in the item of repairs and unexpected will be accumulated to repair the 4 walls.

**POINT SIX.- PROPOSAL TO REPAIR THE 4 WALLS WHICH ARE DANGEROUS. ANNEX 4.**

As detailed in the Summons, not every owner paid the extraordinary fee approved in the Annual General Meeting of October to repair walls. And from the money collected, a part was used to keep the community functioning, as the non-payment of fees from the promoter is causing that the financial situation gets more difficult every month to afford the ordinary expenses.

We have to add, that after the Meeting in October, we got more information after the surveyors report of damages, and those damages were much higher than expected, the amounts for repairing and for completing the judicial actions were higher than the estimations before the meeting in October.

Therefore, to repair today, considering the funds available, considering that the rest of owners who still owe the extra fee of October would pay, even so it would be necessary to add another 143 € per owner (as this expense must be estimated between the 19 properties who are not Agesul, although accountantly we divide it between all properties).

After voting on this proposal, it is desestimated with 8 votes in favour and 9 against.

By petition of present we especify that the properties in favour of paying an extraordinary fee of 143 € to repair the 4 walls are properties number: 3, 9, 10, 20, 29, 34, 38 y 40.

Note: some owners expressed in their votes their wish of repair the 4 walls, but without paying an extra fee of 143 €, just from the community funds. This accounting is not feasible, therefore we consider votes in favour of repairing walls only those who voted in favour the extraordinary fee to repair them, (and not in favour of repairing but without knowing where the money would come from).

And being no further issues to discuss, the president closed the meeting at 12:45 p.m. of the date indicated at the beginning, and of its contents, as Secretary-administrator, I bear witness and sign with the approval of the President.

THE PRESIDENT  
CHRISTINE JONES

THE SECRETARY-ADMINISTRATOR  
MARÍA JESÚS SEVILLA LIZÓN