

**COMMUNITY OF OWNERS "ESTRELLA DE ORIHUELA GOLF I"**

Orihuela Costa, 28th February 2012.

Dear Owner:

In accordance with the second paragraph of article 16 of the current Law of Horizontal Property (*Ley de Propiedad Horizontal*) and as President of the Community "ESTRELLA DE ORIHUELA GOLF I", I invite you to the **Extraordinary Meeting** next **Saturday 10<sup>th</sup> of March 2012, in the community parking at 10:00 a.m.** in first call and at **10:30 a.m.** in second call 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.

Faithfully,



THE PRESIDENT.

Due to the importance of the subjects to be treated, we beg your attendance, in case of not being able to attend you can delegate your vote using this proxy.  
(If you cannot attend, please, give this form to somebody to represent you at the Meeting. You can also send it to the administration, always with signature, with deadline of sending until Friday 9<sup>th</sup> March 2012 to: [info@agmadministradores.com](mailto:info@agmadministradores.com))

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**Representation for Extraordinary Meeting of Community "Estrella de Orihuela Golf I":**

I, Mr/ Mrs. .... owner of the property number ..... of "Estrella Orihuela Golf I", by means of this document, designate:  
Mr./ Mrs. .... to represent me and to vote in my name in the Extraordinary General Meeting of the Saturday 10<sup>th</sup> March 2012.

Signature: .....

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**PROPOSAL OF CANCELLING QUATERLY PENALTY OF 10%:**

- ☐ TO CANCEL PENALTY  
☐ TO KEEP PENALTY
- 

**PROPOSAL ANNUAL BUDGET / FEES:**

- ☐ PROPOSAL 1 (keep same budget & increase fees)  
☐ PROPOSAL 2 (reduce costs & increase fees)  
☐ PROPOSAL 3 (keep current fees)
- 

**PROPOSAL TO REPAIR 4 WALLS:**

- ☐ REPAIR WITH EXTRA FEE OF 143 €  
☐ DO NOT REPAIR

## **ANNEX 1: ADMINISTRATION REPORT:**

From the emails that I have received from owners, one of the subjects that concerns to those who paid all their fees is: "where have the amounts of the extraordinary fees gone?". I will therefore explain this point:

The extraordinary fee approved in the Ordinary Meeting of 6<sup>th</sup> October 2011 was:

$$480,00\text{€} \times 40 \text{ owners} = 19,2000,00 \text{ €}$$

With the prevision that at least 19 properties pay:

$$480,00\text{€} \times 19 \text{ owners} = 9,120,00 \text{ €}$$

The following however was the reality of payments made:

$$480,000 \times 13 \text{ owners} = 6,240,00 \text{ €}$$

From this amount you have to consider that:

- Some owners spent the credit they had available (resting another 600 € to the community funds).
- Other owners (apart from Agesul) either have not paid the ordinary fee of 80 €/month, or are paying late.
- And what is most important, the community has a cumulative deficit, month after month, derived from the monthly non-payment of fees of the 21 properties from Gestión Agesul, S.L., which draw more than 1 year of unpaid fees.

It is important that it is understood that the Administrator does not make decisions but simply manages what is approved at the Meeting and presents the accounts reflecting the financial situation of a community.

We all understand that funds approved for a specific purpose should be used for that purpose; except in exceptional circumstances, such as your own.

Neither the Administrator nor the President are able to instruct the community bank to withhold or reject payments for essential services (electricity, water, community insurance, lifts, and other minimum services), when the balance at the bank was the equivalent amount of the extraordinary fee for the 13 owners who paid.

Both ordinary and extraordinary fees are well separated in the accountancy, but are physically in the same bank account, and when a community has this serious problem of not being able to deal the ordinary expenses due to the non-payment of debtors, extraordinary fees are secondary. Bills are being charged through the bank, and if not paid, suppliers will cut the services to the community.

And I remind you that this same thing happened before, when the community had another administrator; funds were collected for an experts report which was never undertaken because the funds were required to cover Agesul's non-payment.

Even so, I inform you that you have indeed used a good part of that extraordinary fee on the purposes for which it was approved, € 3,285.61 (paid the provision of funds to claim the 21 properties of the promoter for unpaid fees, paid the experts report of damage, and paid the requirements that the solicitor made to all parties involved).

To clarify definitively this point, that affects me directly: the role of Administrator is to advise and inform, but not make decisions. You cannot say we are not discussing this subject for months, and the report submitted in February, was perfectly clear and



detailed warning of imminent bankruptcy if immediate actions are not taken in Extraordinary Meeting.

Meetings with the committee have been ongoing since after the October General Meeting. Notices to debtors from their debts have also been constant. The steps both judicial and extrajudicial and administrative taken were the necessary to exhaust all possible options, with the little money available. By the way, our last administrative step, to inform the Town Hall of potentially dangerous damage of the walls, was rejected by the Town Hall, on the grounds (through inspection of Local Police) that it did not affect the public road, only the community entrance and therefore they consider it a private issue, and they didn't admit the petition.

From all the e-mails that I have seen, either sent between owners or sent directly to the administration, most agree on 2 points: not to raise the current fees, and I see a number of proposals to cut costs by some owners to maintain existing fees by 80 €.

The President, after consulting the accounts presented by the administrator, and collecting suggestions from owners, has elaborated 3 proposals to be voted upon at the EGM, are set out in Annex 4.

Finally, as Administrator of your Community I would like to add something:

1.- I remind you, once again, that according to the Law of Data Protection it is strictly forbidden the use by owners, of the email addresses of other owners. This is further compounded by private email addresses being shown on emails.

2.- Beside, without coming into personal opinions, I beg you to avoid offensive comments and insults directed between owners. No matter how annoyed those people who have made total contributions are (and understandably), I think I was quite clear in the previous report with the figures, that the deficits that lead to potential bankruptcy if urgent action is not taken, is not derived from the debt of some owners 3,000 € (approx), but derived from the debt of the 21 properties from the promoter 41,000 € (approx).

3.- As Secretary-Administrator of the Community I inform you of 2 basic rules we apply to any Community:

-I am not going to tolerate any lack of respect from any owner to this Administration (although nobody said any insult, I do not like the tone adopted in some emails, especially when the only we are doing is dedicating hours and hours and many headaches per 156 € monthly to solve your problems).

-And to finish: if you are unable to approve a Viable budget/fees, then please find another Administration to provide you the service, and I will happily pass all your documentation without delay.

María Jesús Sevilla Lizón.

Secretary-Administrator "Estrella Orihuela Golf I".

## **ANNEX 2: REPORT ABOUT COMMUNITY ACTIONS FOR DAMAGES FOR CONSTRUCTION DEFAULTS:**

01/06/2011: for some months , we have observed some potential dangerous cracks in walls in the top floor in one block, although there are in several more damages in the residential.

14/06/2011: we asked 3 companies of judicial surveyors to give quotation for doing a technical report covering all these damages.

25/07/2011: 2 construction companies give quotation to repair the 4 walls most damaged.

28/07/2011: Burofax to Agesul claiming fees and the repair of damages. They receive it in their office in Madrid and sign it.

01/08/2011: Regarding the fees, the last payment from Agesul was in May 2011 (not covering even the half of the debt), and there are another 2 owners owing 1.100 € both together.

03/08/2011: we call community insurance Axa, and they give their report about the damages.

11/08/2011: 2 air conditioning companies give quotation and report of damages in air conditioning.

02/09/2011: solicitor informs about provision of funds for taking Agesul to Court for fees.

23/12/2011: presented in Court the case against Agesul for fees.

19/01/2012: solicitor informs about the provision of funds for taking Agesul to court for construction damages, and possible options.

23/01/2012: a company specialised in reconstruction of fachades, gives quotation to repair the walls more according to the obtained technical report.

24/01/2012: after investigations, we got the necessary information from all possible the involved parties (promoter, superior architect, technical architect, quality control and 10 years guarantee insurance from the building).

25/01/2012: solicitor sends 5 requirements to each of the parties (as there is no money to go to Court, it is the last available legal option).

01/02/2012: the 10 years guarantee insurance (the only who contacted by now), send a technician to observe damages in the 4 walls. We are still waiting for a positive or negative answer.

07/02/2012: Committee Meeting (President and Vice-president), in the administration office to adopt emergency measurements, regarding 2 subjects: imminent bankruptcy of the community, and public liability in the case of an accident for falling of the walls. 2 actions were decided:

- to call an Extraordinary Meeting to propose an increase in the monthly fees in order to cover the real expenditure that it is shared only between 19 properties.

- to report to the Town Hall of Orihuela (Urbanismo) about the dangerous state of the walls, due to none of the other options we have tried is obtaining result (owners are not paying the extraordinary fee, and the involved parties in the damages are not answering positively to our claims).

21/02/2012: President and Administrator go to the Orihuela Costa Town Hall to report the damages to Urbanismo department, they advise that they will only accept such notification in the form of an "instancia" which will be evaluated in Orihuela, and they recommend we can also report it to the local police for them to check the potential danger, which is duly done. The following day we take the instancia and further information, but we are advised that after observing the area, it is not their responsibility as it is not affecting the public road, and in case of the walls falling, would fall within the community borders, so they do not accept the instancia to be presented.



**ANNEX 3: SUMMARY OF ACCOUNTS from 01/08/2011 to 29/02/2012:**

**RESERVES at 01/08/2012.....14.984,07 €**

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 €

**+INCOMES BUDGETED FEES.....49.134,44 €**

Ordinary fee (7months).....	22.400,00 €
Extraordinary fee.....	19.200,00 €
10% penalty.....	7.534,44 €

**-EXPENSES from 01/08/11-29/02/12 (7 months)..... -19.168,80 €**

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 €

**=RESERVES at 29/02/2012.....44.949,71 €**

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 €

**BALANCE DE COMPROBACION DE SUMAS Y SALDOS**

Periodo: 01 Agosto 2011 Al 31 Julio 2012

CODIGO	CUENTA	IMPORTE DEBE	IMPORTE HABER	SALDO
4300001.....	BAJO A NIVEL A GESTIÓN AGESUL, S.L.	1.983,41	--	1.983,41
4300002.....	BAJO B NIVEL A GESTIÓN AGESUL, S.L.	1.983,41	--	1.983,41
4300003.....	BAJO B NIVEL B PAULA JAYNE & STEPHEN	1.121,48	855,98	265,50
4300005.....	BAJO D NIVEL B GESTIÓN AGESUL, S.L.	1.983,41	--	1.983,41
4300006.....	1º A NIVEL A GESTIÓN AGESUL, S.L.	1.983,41	--	1.983,41
4300007.....	1º B NIVEL A GESTIÓN AGESUL, S.L.	1.983,41	--	1.983,41
4300008.....	1º C NIVEL A GESTIÓN AGESUL, S.L.	1.983,41	--	1.983,41
4300011.....	1º A NIVEL B GESTIÓN AGESUL, S.L.	1.983,41	--	1.983,41
4300012.....	1º B NIVEL B JOSÉ GARCÍA SÁNCHEZ Y	1.281,48	1.000,00	281,48
4300013.....	1º C NIVEL B RAMÓN DURÁN HURTADO Y Mª	1.040,00	840,00	200,00
4300014.....	1º D NIVEL B GESTIÓN AGESUL, S.L.	1.983,41	--	1.983,41
4300015.....	2º A NIVEL A GESTIÓN AGESUL, S.L.	1.983,41	--	1.983,41
4300017.....	2º C NIVEL A GESTIÓN AGESUL, S.L.	1.983,41	--	1.983,41
4300018.....	1º A NIVEL C GESTIÓN AGESUL, S.L.	1.983,41	--	1.983,41
4300021.....	1º D NIVEL C CISA CARTERA DE INMUEBLES	1.758,94	1.200,00	558,94
4300022.....	2º A NIVEL B GESTIÓN AGESUL, S.L.	1.983,41	--	1.983,41
4300023.....	2º B NIVEL B GESTIÓN AGESUL, S.L.	1.983,41	--	1.983,41
4300024.....	2º C NIVEL B GESTIÓN AGESUL, S.L.	1.983,41	--	1.983,41
4300025.....	2º D NIVEL B GESTIÓN AGESUL, S.L.	1.983,41	--	1.983,41
4300027.....	3º B NIVEL A GESTIÓN AGESUL, S.L.	1.983,41	--	1.983,41
4300028.....	3º C NIVEL A GEORGE & KATHLEEN HAYNES	1.362,97	960,00	402,97
4300030.....	2º B NIVEL C GESTIÓN AGESUL, S.L.	1.983,41	--	1.983,41
4300031.....	2º C NIVEL C GESTIÓN AGESUL, S.L.	1.983,41	--	1.983,41
4300032.....	2º D NIVEL C GESTIÓN AGESUL, S.L.	1.983,41	--	1.983,41
4300033.....	3º A NIVEL B GESTIÓN AGESUL, S.L.	1.983,41	--	1.983,41
4300036.....	3º D NIVEL B GESTIÓN AGESUL, S.L.	1.983,41	--	1.983,41
4300037.....	3º A NIVEL C DARREN & MARGARET	1.703,90	574,82	1.129,08
SALDO DEUDOR	44.489,58	49.920,38	5.430,80	44.489,58

#### **ANNEX 4: PROPOSAL OF CANCELLING PENALTY:**

It is proposed to cancel the quarterly fine of 10% in fees for late payment, retroactively, affecting all current exercise from 1<sup>st</sup> August 2011, because this penalty is totally useless and it is only increasing the owed amounts of debtors accumulating more and more, amounts that they don't pay anyway.

These fines are also considered abusive from many Judges, not applying their payment in many condemnatory cases.

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#### **ANNEX 4: PROPOSALS BUDGET/FEES:**

##### **BUDGET AND FEES IF 40 PROPERTIES PAY:**

(this is NOT a proposal, it is just a theoretical model)

60,00 € X 40 PROP. X 12 MONTHS = 28.800,00 €

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+correos.....	60,00 €
Community insurance.....	1.419,64 €
Bank comissions.....	0,00 €
Electricity.....	2.800,00 €
Water.....	1.800,00 €
Lift's telephones.....	450,00 €
TOTAL.....	28.815,04 €

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#### **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 comissions.....	0,00 €
Electricity.....	2.800,00 €
Water.....	1.800,00 €
Lift's telephones.....	450,00 €
TOTAL.....	28.815,04 €

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**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)

$$92,00 \text{ €} \times 19 \text{ PROP.} \times 12 \text{ MONTHS} = 20.976,00 \text{ €}$$

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

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**PROPOSAL 3: KEEP CURRENT FEE OF 80 €, SUPPORTING BUDGET BETWEEN 19 PROPERTIES, AND REDUCING COSTS:**

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

$$80,00 \text{ €} \times 19 \text{ PROP.} \times 12 \text{ MONTHS} = 18.240,00 \text{ €}$$

Sundry expenses and unexpected.....	0,00 €
Community maintenance(-33% hours).....	9.912,00 €
Lifts maintenance.....	0,00 €
Administration fees.....	1.872,00 €
V.A.T.....	336,96 €
Photocopies+correo.....	60,00 €
Community insurance.....	1.419,64 €
Bank comissions.....	0,00 €
Electricity.....	2.800,00 €
Water.....	1.800,00 €
Lift's telephones.....	0,00€
<b>TOTAL.....</b>	<b>18.200,60 €</b>

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Administration and Committee recommend any option between the interval of proposals 1 and 2. We consider proposal 3 not viable.

We would also like to clarify, as explained in previous occasions, that according to the normative, fees cannot be shared between less owners of the total 40, and basic services of the community cannot be eliminated. But in this case, as being an imminent bankruptcy of the community it is more important to get real solutions.

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**ANNEX 4: PROPOSAL FOR WALLS:**

It is also recommended to repair the 4 dangerous walls, for this would be necessary that the rest of 19 owners who hasn't yet paid the previous extraordinary fee, do it. And also necessary to add another 143 € per property.

$$\begin{array}{rcll} \text{(quotation to repair: 8.600,00 €} & -2.880,00 \text{ €} & -3.000,00 \text{ €} & = 2720,00 \text{ €} / 19 = 143,16 \text{ €}) \\ & \text{outstanding debt} & \text{in bank} & \text{still missed} \\ & \text{previous extra fee} & & \end{array}$$