

**Ordinary General Assembly of the
Owners Association of Club Jardin Amadores**
(*"Comunidad de Propietarios del Complejo de Apartamentos Club Jardín Amadores"*)

An Ordinary General Assembly of the Owners Association of Club Jardin Amadores ("**Owners Association**") is held on 3 December 2011. First call at 14:00 pm, second call at 14:30 pm.

Meeting held at Club Playa Amadores, Amadores, Mogán, Gran Canaria, Spain.

Assistance and representations

- **Holiday Club Canarias Sales & Marketing S.L.**, holding 177 votes equivalent to that number of weeks ("*co-ownership shares*"), represented during the meeting by Ms. Claudia Esplá.
- **Holiday Club Canarias Resort Management S.L.**, acting as administrator of the Owners Association, representing owners holding 130 weeks ("*co-ownership shares*") by way of proxies granted for such purpose, represented during the meeting by Mr. Manuel Roca.
- **Mr. Lennart Karlsson** representing owners holding 23 weeks ("*co-ownership shares*") by way of proxies granted for such purpose.
- **Mr. Holger Piepgrass** representing owners 69 weeks ("*co-ownership shares*") by way of proxies granted for such purpose.
- **24 Owners** attend in person to the meeting, of which 11 are British, 4 German and 9 Scandinavians, according to the list attached.

For the future, proxies need to be delivered 48 hours ahead.

Presentation of the Chairman of the Meeting and of the participants

Mr. Calvin Lucock acts as the Vice-chairman of the Owners Association and Mr. José Puente acts as Secretary of the Owners Association, as they were elected in the last meeting of the General Meeting of the Owners Association of Club Jardin Amadores held on 21 February 2011.

It is agreed by all attendants that Mr. Calvin Lucock shall act as Chairman of this Meeting, and that Mr. José Puente shall act as Secretary of this Meeting.

Presentation of other participants:

1. Ms. María Martínez
2. Mr. Samuel Miranda

Language of the meeting

In accordance with past practices, since the majority of the owners attending this meeting speak English, it is agreed that the meeting will be held in English. Short summaries of the issues discussed will also be made in German and in Swedish.

The General Assembly was called by means of a letter sent by the Administrator of the Owners Association, as established in the by-laws of the Owners Association, to all Owners on 3 November 2011.

Being present or represented owners holding a total number of 423 weeks, the meeting is considered as duly convened and constituted in second call. The Chairman declares that the General Meeting is validly formation of the Assembly, without any attendant making any protest or reservation, in order to discuss the following

AGENDA

1. Minutes of the previous General Meeting
2. Report to the Owners on the implementation of the decisions passed by the Owners' Association last 22 February 2011
3. Presentation of the budget submitted by the services company Holiday Club Canarias Resort Management S.L. for rendering services to the resort and the unit owners for year 2012 and its approval, as the case may be
4. Proposal for appointing an external auditor to review the Account of Income and Expenditure of the Association for 2011 and submit the resulting report at the General Meeting in 2012
5. Report from the Administrator Holiday Club Canarias Resorts Management S.L.
- 6.- Proposal of the developer to assume the risk of collection of maintenance fees of 2012 in cases of weeks of owners in default that are effectively repossessed
- 7.- Appointment and/or renewal as appropriate, of the Chairman of the Owners' Association
- 8.- Appointment and/or renewal as appropriate, of the Vice-chairman of the Owners' Association
- 9.- Appointment and/or renewal as appropriate, of the Secretary of the Owners' Association
- 10.- Future calling of meetings and remittal of documents via email and webpage

Additional points of the Agenda included following a request from Mr. Lennart Karlsson:

- 11.- Proposal for the creation of a liaison committee for serving as a channel of communication of the unit owners with the Administrator of the Owners Association and with the Services Company, in addition to the statutory positions. Liaison Committee to be formed by three members who shall represent the unit owners -one representative for each of the three large "owner regions", namely (i) United Kingdom/Republic of Ireland; (ii) Central Europe and (iii) Nordic countries (DK, FI, IS, NO and SE)-, establishing the remuneration terms
- 12.- Translation of the statutes of the Owners' Association into the languages of the main number of customers

- 13.- Request to the administrator to establish the procedure to be followed in case of transfers of week units where the seller is an existing owner in order to provide clear information to the seller and buyer as regards the steps and the scope of the rights that can be transferred
- 14.- Request by the Owners' Association to the developer Holiday Club Canarias Sales & Marketing S.L. of information on internal exchanges and on the system of how it works
- 15.- Proposal to revisit the situation of the VIP Card and/or alternative measures
- 16.- Questions and answers

As a consequence of the new items suggested being included in the agenda, following item is required

- 17.- Review of the 2012 budget under the light of the decisions taken under items 11 through 16

After having been discussed are then unanimously –except as otherwise stated- passed the following

RESOLUTIONS

1. Minutes of the previous General Meeting

The Secretary explains that the Minutes of the last General Meeting were prepared and drafted according to the authorization granted by the owners in the last meeting. Copies of the minutes are available to all owners on site, if any of them is interested.

The Chairman explains that the minutes may be translated into German and Norwegian if requested, and that copies will be sent per email to Owners upon request.

2. Report to the Owners on the implementation of the decisions passed by the Owners' Association last 22 February 2011

The Chairman explains that the assumption by Holiday Club Canarias Resorts Management S.L. of the role of administrator and services company has been completed, as it was agreed in the previous meeting.

3. Presentation of the budget submitted by the services company Holiday Club Canarias Resort Management S.L. for rendering services to the resort and the unit owners for year 2012 and its approval, as the case may be

Mr. Lucock presents to the owners the budget submitted by the services company Holiday Club Canarias Resort Management S.L. to the Owners Association to provide services to the Owners. The budget includes a grand total of 561,921.35 Euros as expenses. This budget proposal includes the total amount to be paid by all owners of weeks to Holiday Club Canarias Resort Management S.L. as consideration for the services the company will provide during the year 2012 pursuant to the standards based on which have been prepared for the corresponding budgets.

The Chairman explains the budget to the owners:

- The budget includes an item of "other income" for services that Holiday Club Canarias Resort Management S.L. will be entitled to invoice directly to owners.
- The item "Extraordinary income" includes income that the service company will receive in the case of approval of the procedure provided in section 6 of the agenda.
- The budget includes an item as Renovation and Reparation Fund in order to build said fund for future reparations. According to the law there needs to be a sinking fund, but the reality is that when Holiday Club Canarias Resort Management S.L. took over the management, no Renovation and Reparation Fund was available.

In the event that the budget is approved, the services company Holiday Club Canarias Resort Management S.L. will issue the corresponding maintenance fee to each of the holders of the week including the corresponding IGIC (i.e. VAT).

A Scandinavian owner asks about the VIP Cards and the televisions channels. Mr Lucock explains that owners of all clubs were tied to a 10 year contract at a total cost of 2 million Euros. This contract has been terminated as it was not beneficial to the owners. Mr Lucock confirms that alternative options would be looked into.

A Scandinavian owner asks why the cleaning service has been reduced. Mr Lucock explains that by limiting this service the budget can be kept in line. Most owners have indicated a daily service is not necessary. This is also an ecological issue.

Mrs Cullen asks how many staff had been made redundant during the take-over. Mr Lucock replies that there were 125 staff, and Holiday Club Canarias currently employs 181.

⇒ Show of hands in order to decide on the budget
No owner raises any objection to the budget or wants to abstain, all owners show their conformity with the budget so that the budget is unanimously approved and the maintenance fee approved, with following additional measures:

- The services company will charge the total of the maintenance fees to the owners, splitting the total of the budget among the owners;
- Payment of the maintenance fees shall be made before 31 January 2012;
- Non payment of the maintenance fees on time will trigger a penalty as per the by-laws of the Owners Association.

4. Proposal for appointing an external auditor to review the Account of Income and Expenditure of the Association for 2011 and submit the resulting report at the General Meeting in 2012

The Secretary informs to the owners that in the past the review of the accounts has been done by two owners. The current administrator (i.e. Holiday Club Canarias Resort Management S.L.) believes that it would be better to have the accounts reviewed by a professional auditor rather than by two owners. In order to enhance the transparency, it is thought that a professional auditor can give the owners a higher comfort as regards the veracity of the accounts.

In such a case it would be possible to appoint a local auditor or to appoint one of the big auditing companies (such as PwC or Ernst & Young). The costs of a local auditor would be significantly lower, but the owners shall have the chance to decide on that.

The point is approved with 1 owner in favor of using one of the mainstream larger companies.

23 owners voted in favor of using a local independent firm.

A Scandinavian owner asks why the figures from the previous budget have not been presented. Mr Puente regrets to inform owners that the figures for 2010 have been requested from the former administrator (i.e. Puerto Calma Maintenance S.L.), however are as yet unavailable.

In reference to point 4 of the agenda, in the future an independent auditor will be used to provide complete clarity of the accounts. Mr Lucock comments that as a new company the starting point is zero, rather than comparisons with existing figures from the Puerto Calma Group.

5. Report from the Administrator Holiday Club Canarias Resorts Management S.L.

Mr. Lucock reports to the owners on the activities carried out by the administrator and on the main decisions and measures taken. The decision to reduce the periodicity of the cleaning of rooms is explained.

Furthermore Mr. Lucock explains what has happened to the VIP Cards. It was a fact that there were a number of clients in favour of the VIP Cards and a relevant number of clients that were against. The reason behind that was the personal interest of each in using the VIP Cards or not. The owners that use the VIP Cards were in favour and the owners that do not use them were not in favour. According to the consultation made, the number of clients against the VIP Card and in favour of terminating the VIP card was appreciably higher. Nevertheless the reality is that the services offered by Puerto Rico S.A. under the VIP Card had been substantially reduced over the years but the prices had not been reduced accordingly. The existing contract's term is for 10 years, and the financial impact for the owners association would be relevant. During the negotiations with Puerto Calma Group, Holiday Club Canarias Resort Management S.L. secured the right to cancel the VIP Card, and Holiday Club Canarias Resort Management S.L. has made use of said right, because it believes that it was in best interest of the owners and because there were no funds available for covering the month of December.

Following requests from owners, Holiday Club Canarias Resort Management S.L. will try to negotiate good conditions and discounts with Puerto Rico S.A. or with other service providers – although Puerto Rico S.A. is currently the only one that offers hammocks on the beach of Puerto Rico. Owners will be informed if additional possibilities are available in the future.

6.- Proposal of the developer to assume the risk of collection of maintenance fees of 2012 in cases of weeks of owners in default that are effectively repossessed

The Chairman states that it has been a request from the owners to instrument measures to reduce the level of defaults in maintenance fees. In order to deal with that problem, the developer Holiday Club Canarias Sales & Marketing S.L. has communicated to the administrator that it would be ready to assume the risk of maintenance fees due in 2012 for those weeks that it is able to repossess, so that it will actively pursue the repossession of weeks of clients that are in default and in those cases

it will pay to Holiday Club Canarias Resorts Management S.L. the maintenance fee corresponding to year 2012.

The services company has received said proposal and the budget has been prepared taken into account that proposal, so that item "Extraordinary income" was included, although with no indication of a figure. Any amounts so received will be considered as "Extraordinary income" and will be credited to the budget of the following year.

Mr Carlsson expresses concern at the time it will take to reposses weeks from maintenance debtors. Mr Lucock explains that it is not possible to reposses weeks until a 12 month period has passed.

⇒ The proposal of Holiday Club Canarias Sales & Marketing S.L. is unanimously approved.

7.- Appointment and/or renewal as appropriate, of the Chairman of the Owners' Association

⇒ Appointment of Mr. Calvin Lucock as Chairman of the Owners Association in the terms foreseen in the by-laws and in the Spanish Act on Condominiums ("*Ley de Propiedad Horizontal*").

The point is unanimously approved.

8.- Appointment and/or renewal as appropriate, of the Vice-chairman of the Owners' Association

Mr. Lucock introduces Ms. María Martínez to the owners and requests that she is appointed as Vice-Chairman, to replace the Chairman should it be necessary.

⇒ Appointment of Ms. María Martínez as Vice-chairman of the Owners Association in the terms foreseen in the by-laws and in the Spanish Act on Condominiums ("*Ley de Propiedad Horizontal*"). Ms. María Martínez, as the Vice-chairman shall replace the Chairman and act as the Chairman in the event of non attendance or resignation of the Chairman or if the Chairman is not able to perform his role.

The point is unanimously approved.

9.- Appointment and/or renewal as appropriate, of the Secretary of the Owners' Association

⇒ Renewal of Mr. José Puente as Secretary of the Owners Association in the terms foreseen in the Spanish Act on Condominiums ("*Ley de Propiedad Horizontal*").

The point is unanimously approved.

10.- Future calling of meetings and remittal of documents via email and webpage

It is explained that this issue was already discussed in the meeting held in February 2011, where authorisation was granted to send callings via email. However the intention of the administrator is to

enhance it with the possibility to upload callings to a webpage, so that the information is available there. There are certain IT problems being analysed and processed currently in order to facilitate that communication takes place via email. The option to receive communications by post will continue in place for those owners that prefer it.

⇒ Authorisation is unanimously granted to the administrator to send information and callings via emails to those owners that are interested and provide the administrator with their email address.

⇒ Authorisation is unanimously granted to the administrator to upload all callings of meetings in the web page once the IT system is ready.

11.- Proposal for the creation of a liaison committee for serving as a channel of communication of the unit owners with the Administrator of the Owners Association and with the Services Company, in addition to the statutory positions. Liaison Committee to be formed by three members who shall represent the unit owners -one representative for each of the three large "owner regions", namely (i) United Kingdom/Republic of Ireland; (ii) Central Europe and (iii) Nordic countries (DK, FI, IS, NO and SE)-, establishing the remuneration terms

At the request of Mr. Karlsson before the starting of the meeting this item is suppressed of the Agenda.

12.- Translation of the statutes of the Owners' Association into the languages of the main number of customers

Mr. Karlsson proposes that the statutes of the Owners' Association are translated into the main languages of the customers, and at least in German, Norwegian and English.

The Chairman thanks Mr. Karlsson for the proposal and asks the owners whether they are in agreement with the proposal and with the associated cost.

The owners ask the administrator to request quotes from translators in order to take a decision on this.

13.- Request to the administrator to establish the procedure to be followed in case of transfers of week units where the seller is an existing owner in order to provide clear information to the seller and buyer as regards the steps and the scope of the rights that can be transferred

The request is accepted by the administrator who agrees to send this information to owners by 31 March 2012.

14.- Request by the Owners' Association to the developer Holiday Club Canarias Sales & Marketing S.L. of information on internal exchanges and on the system of how it works

Mr. Lucock states that the internal exchange has nothing to do with the Owners Association. It is an additional service offered to customers, and it is only paid by those owners that want to use it.

15.- Proposal to revisit the situation of the VIP Card and/or alternative measures

This issue has already been dealt with above.

16.- Questions and answers

With regards to the television channels Mr Lucock explains three options for television channels are currently being discussed, with emphasis placed on the most requested channels – A children's channel, news channel, sport channel and a music option. The current package is not beneficial to owners – This contract has been terminated and will cease in March 2012.

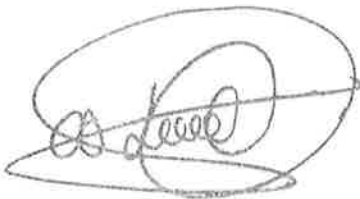
17.- Review of the 2012 budget under the light of the decisions taken under items 11 through 16

As a consequence of the new items suggested being included in the agenda, this item is required. However, since no decision has been taken that affects the budget, no further decision in this regard is required.

18.- Approval of the Minutes

According to the terms of the law, the minutes will be prepared by the Secretary within the next ten days and once they are ready, the Minutes will be signed by the Chairman and the Secretary of this Meeting.

Powers are granted to the Chairman, Vice-chairman as well as to the Secretary so that, should it be necessary, any of them may, indistinctly, in the name and on behalf of the Owners Association, execute the aforementioned resolutions and particularly in order to issue a certificate of the resolutions adopted, and if appropriate to appear before a Public Notary with the most ample faculties, in order to grant and sign the necessary Public Deeds, so that the aforementioned resolutions and the legal transactions arising from them may be formalised, and to raise them to the status of a Public Deed, for all the pertinent legal effects, even for the inscription of the same at the Land Property Registry.



THE CHAIRMAN OF THE MEETING
CALVIN LUCOCK



THE SECRETARY OF THE MEETING
JOSE PUENTE