

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

An Ordinary General Assembly of the Owners Association of Club Jardin Amadores (“**Owners Association**”) is held on 6 December 2013. First call at 12:00 pm, second call at 12:30 pm.

Meeting held at Hotel H10, Meloneras, San Bartolomé, Gran Canaria, Spain.

Assistance and representations

- **Holiday Club Canarias Sales & Marketing S.L.U.**, holding 360 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.U.**, acting as administrator of the Owners Association, representing owners holding 87 weeks (“*co-ownership shares*”) by way of proxies granted for such purpose, represented during the meeting by Mr. Pasi Rautanen.
- **Ms. Carin Emblad** representing owners holding 15 weeks (“*co-ownership shares*”) by way of proxies granted for such purpose.
- **Mr. Nils Fredrik Braathen** representing owners holding 6 weeks (“*co-ownership shares*”) by way of proxies granted for such purpose.
- **Mr. Holger Piepgrass** representing owners holding 30 weeks (“*co-ownership shares*”) by way of proxies granted for such purpose.
- **6 Owners** attend in person to the meeting, representing 13 votes. They are British, French, German and Scandinavians, according to the list attached.

The meeting takes place together with the meeting of the Owners Association of Club Vista Amadores. Due to the fact that both clubs share facilities it was decided to hold both meetings together although resolutions are passed independently. However, for the purposes of the minutes it has been decided to have separate minutes. All the attendants agree to this procedure.

The Secretary explains to the attendees that in order to secure proper recording of the name of attendees, the number of votes that each owner has and the casting of votes, a prior procedure has been established so that the owners interested in attending the meeting have indicated their wish in advance, and the list of attendants can be prepared on that basis. Nevertheless Ms. María Martínez goes around the attendees in order to check any additional attendee.

Proxy holders have likewise informed the administrator in advance.

The meeting starts on time.

Presentation of the Chairman of the Meeting and of the participants

Mr. Calvin Lucock acts as the 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 Jardín Amadores held on 6 December 2012.

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. María Martínez
2. Roberto Picón
3. Claudia Espla
4. Pasi Rautanen
5. Ilona Kievits (for the minutes)

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 be made in German, Finnish and in Swedish if needed.

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.

Being present or represented owners holding a total number of 511 weeks, the meeting is considered as duly convened and constituted in second call. The Chairman declares that the General Assembly is validly formed, without any attendant making any protest or reservation, in order to discuss the following

AGENDA

1. Minutes of the previous General Meeting
2. Report from the Administrator Holiday Club Canarias Resorts Management S.L. on the year 2013
3. Status of the reparation and renovation fund and of the uses given to the fund
4. Report of the Services Company on the Statement of Income and Expenditure of the Owners' Association for 2012
5. Report of the external auditor of the Statement of Income and Expenditure of the Owners' Association for 2012
6. Report on the repossession by developer of weeks of owners in default and income generated as a consequence of the payment of maintenance fees and positive impact of this in the bad debt provision for 2014. Prorogation of the 2011 resolution
7. Report on the collection efforts of the maintenance fees carried out by the Administrator
8. Proposal of deep maintenance works in the apartments of Club Vista Amadores and in areas that affect both resorts to bring them to the expected standards and presentation of the related budgets

9. 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 2014 and its approval, as the case may be
10. Appointment and/or renewal as appropriate, of the Chairman of the Owners' Association
11. Appointment and/or renewal as appropriate, of the Vice-chairman of the Owners' Association
12. Appointment and/or renewal as appropriate, of the Secretary of the Owners' Association
13. Questions and answers

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 General Meeting held on 6th December 2012 were drafted according to the law and the authorization granted by the owners and approved by the Chairman and Secretary. The Secretary informs that the minutes were uploaded into the webpage www.hccanarias.com

The Secretary states that the Minutes were prepared duly after the meeting within the deadline of 10 days agreed in meeting and they were uploaded on to the webpage on due time.

The Secretary indicates that the minutes are valid with the signature of the Chairman and Secretary, but he asks the attendees for comments or remarks on the minutes of the previous meeting. No owner raises any objection or remark.

The minutes are thus acknowledged by all attendees and no additional comments are made.

2. Report from the Administrator Holiday Club Canarias Resorts Management S.L.U. on the year 2013

The Chairman updates on the developments of year 2013.

- Repossessions
- Debt collection company
- The Services Company is more or less on budget (mainly because of repossession exercise)

The Chairman introduces the questions and motions raised by owners that have been sent in writing to the Administrator before this meeting. The Chairman briefly explains them and refers them to the final item of the Agenda regarding questions and answers. All owners are in agreement with this.

The Chairman reminds that there is a website www.hccanarias.com and that all information for this meeting has been uploaded into that page. All owners were informed about that in the calling of the meeting. The intention is to further develop that page as a communication tool, so that each owner will have an own access code. Any documentation related to the Owners Association meetings can be extracted from this page.

3. Status of the reparation and renovation fund and of the uses given to the fund

Mr. Roberto Picón explains the situation of the funds. As per 2013 budget, the total amount of the renovation fund is €10,156.74. These funds have not been used in year 2013. So as of 31 December 2013 the total amount would be available.

In the budget for 2014 it is foreseen an amount for the renovation fund of €23,671.84.

The Chairman introduces the issue of the need to carry out certain important improvements in the resort, namely the replacement of the air conditioning cooling unit serving all apartments. The Vice-Chairman explains that the air conditioning is cooled by two units of which one has been broken and the other has only be working at 50% of its capacity since the takeover of the management by Holiday Club Canarias Resort Management S.L.. Although it was intended to repair both units, the equipment is outdated and spare parts are no longer available.

The Chairman asks the owners for the approval of the above measures and the authorisation to use the renovation fund of 2013 and 2014 for financing those measures. If accepted, the reparation and renovation fund of 2013 and 2014 would be used for the purchasing of at least one cooling unit and use the air conditioning only in the warm months until a second cooling unit can be purchased out of the renovation fund, expected this to be in 2 or 3 years time to avoid an increase in the maintenance fees.

A voting takes place and all owners vote in favour. No owner raises any objection or wants to abstain. Therefore the following resolution is unanimously passed:

⇒ the Administrator is authorised to use the funds available in the reparation and renovation fund during 2014 in order to devote the funds to the above measures.

An Scandinavia owner points out that the replacement of the air conditioning (AC) system is required. However attention should also be paid to the fact that the door contacts that switch off the AC system when the doors are open are broken, and they should be fixed; otherwise the AC system would be overloaded. The Vice-Chairman thanks for the comment and states that this issue will be looked into it when the new cooling unit is installed.

4. Report of the Services Company on the Statement of Income and Expenditure of the Owners' Association for 2012

The Chairman explains to the owners that a Statement of Income and Expenditure for the whole year 2012 has been prepared. This is the first complete year where Holiday Club Canarias Resort Management S.L.U. has managed and provided the services to the resort. Mr. Roberto Picón explains the Statement and the total amount of actual expenses incurred in that period. For comparison purposes the budget for 2012, approved in December 2011, has been used. The main conclusions are as follows:

- (a) The budget approved in 2011 for year 2012 forecasted a total amount of expenses for 2012 of 561,921.35 Euros.

- (b) The actual level of expenses to third parties amounted to 475,149.26 Euros. However this level of expenses does not take into account the fact that the administrator was entitled to a 15% margin fee or any amount to the creation of the renovation and replacement fund.
- (c) The actual level of collected maintenance fees in 2012 amounted to 427,295.99 Euros, however due to the repossessions during the year, there was an extraordinary income reflected of 44,372.24 Euros which gives us a balance of 471,668.23 Euros.
- (d) The comparison between budgeted and real figures shows a deficit of 3,481.03 Euros due to the amount of unpaid maintenance fees of 125,123.67 Euros. This deficit is explained. Mr. Picón explains that Holiday Club Canarias Resort Management S.L.U. has absorbed 100% of this deficit through the decrease of its administration fee.
- (e) The renovation/repairment fund could not be actually created as a consequence of the delinquency in the payment of the maintenance fees.
- (f) The final fees obtained by Holiday Club Canarias Resort Management S.L.U. amount to 58,494.96 Euros against the due amount of 61,975.99 Euros, which is 15% of the actual expenditure.

Mr. Piepgrass wants to know who was responsible for the forecasted figures in the budget of 2012. The Chairman explains that the budget for 2012 was prepared without having previous year's details which were not supplied by the Puerto Calma Group and therefore the forecasted figures were based on "best estimates" on what should be the cost but not on actual figures. Due to this fact the budget for 2012 was not in line with actual expenses, and therefore the fees of the services company were reduced.

The Chairman explains that the decisions taken last year show already results and thanks to them there is now only a slight increase in the maintenance fee. The Services Company will do its utmost to significantly reduce the bad debt provision.

The Chairman reminds to the owners that the company Holiday Club Canarias Resort Management S.L.U. has already carried out a substantial cleaning up work, where the outstanding debts of the Owners Association towards the maintenance company have been cleaned. Furthermore, with the help of Holiday Club Canarias Sales & Marketing S.L.U., the number of clients that were not paying the maintenance fees back in 2011 has been substantially reduced and for future years the situation of the Owners Association should be healthier, since the current clients are interested in paying the maintenance fees for continuing enjoying their weeks, and on top of that Holiday Club Canarias Sales & Marketing S.L.U. has repossessed weeks and assumed the obligation to pay the future maintenance fees until it sells them to new customers, who will be then interested in enjoying their weeks, so that the delinquency in respect of the related maintenance fees will be substantially reduced.

The Chairman refers to the explanation from Mr. Picón on the Statement of Income and Expenses of 2012 and underlines the fact that although there were almost 130,000.00 Euros not collected in 2012, Holiday Club Canarias Resort Management S.L.U. continued rendering the services and due to the lack of funds, it was not able to receive the administration fee that it was otherwise entitled to. This is another token of the commitment by Holiday Club Canarias Resort Management S.L.U. to provide stability to the Owners Association.

In the past the difference between the budgeted maintenance fees and the collected maintenance fees was considered by Group Puerto Calma as a receivable in favour of Group Puerto Calma. However, this is not Holiday Club Canarias Resort Management S.L.U.'s approach.

The reason for the "creation" of a deficit is explained, and the fact that Holiday Club Canarias Resort Management S.L.U. does not pretend to claim the full amount of the deficit from the Owners Association. Contrary to past practices Holiday Club Canarias Resort Management S.L.U. will not consider this a debt of the Owners Association towards Holiday Club Canarias Resort Management S.L.U. The consequence of this deficit is to be absorbed by this company.

In the light of the above and in line with the approach taken, it shall be however acknowledged that going forward Holiday Club Canarias Resort Management S.L.U. should be entitled to receive any further collection of outstanding maintenance fees relating to previous years (2012 and 2013). Most specifically any further payments to be made by Holiday Club Canarias Sales & Marketing S.L.U. as a consequence of repossession of weeks in 2013, 2014 and future years should be in favour of Holiday Club Canarias Resort Management S.L.U., since this is the entity that as of today has borne the burden.

Mr. Braathen requests that for the sake of the good order, the Statement of Income and Expenditure of the Owners' Association for 2012 is formally approved and that it is also acknowledged that there is no debt by the Owners' Association towards Holiday Club Canarias Resort Management S.L.U., as explained above and taking into consideration that this company will be entitled to receive any outstanding maintenance fees as indicated.

A voting takes place and all owners vote in favour. No owner raises any objection or wants to abstain. Therefore the following resolution is unanimously passed:

- ⇒ Holiday Club Canarias Resort Management S.L. should be entitled to receive any further collection of outstanding maintenance fees relating to previous years (2012 and 2013).
- ⇒ Any further payments to be made by Holiday Club Canarias Sales & Marketing S.L. as a consequence of repossession of weeks in 2013, 2014 and future years should be in favour of Holiday Club Canarias Resort Management S.L., since this is the entity that as of today has borne the burden.
- ⇒ Statement of Income and Expenditure of the Owners' Association for 2012 is approved. It is also acknowledged that there is no debt by the Owners' Association towards Holiday Club Canarias Resort Management S.L.U. for the maintenance fees of 2012.

5. Report of the external auditor of the Statement of Income and Expenditure of the Owners' Association for 2012

The Chairman introduces this point of the agenda and asks Ms. Claudia Esplá to explain the audit analysis carried out by the auditor RSM Gassó. The audit analysis is referred to year 2012. The report is shown in the screen in Spanish and English. A full copy is available in the web page www.hccanarias.com.

Ms. Esplá explains that the expenses are booked in the accounts of the services company and the auditor has verified that:

- (a) The auditor has seen the real Statement of Income and Expenditure of the year 2012
- (b) Expenses are duly recorded in the accounts and correspond to actual invoices;
- (c) There is an analytical accounting in Holiday Club Canarias Resort Management S.L.U. in order to allocate the expenses to the different resorts;
- (d) The real Statement of Income and Expenditure of Club Jardin Amadores is in line with the accounting of Holiday Club Canarias Resort Management S.L.U.;
- (e) The amount of expenses allocated to Club Jardin Amadores is reasonable, i.e. respond to a rational parameter of allocation.

The Chairman clarified that, although the request for an external audit report was made by the Owners Association, the respective cost was absorbed by Holiday Club Canarias and it is not shown in the budget.

6. Report on the repossession by developer of weeks of owners in default and income generated as a consequence of the payment of maintenance fees and positive impact of this in the bad debt provision for 2014. Prorogation of the 2011 resolution

The Chairman asks Ms. María Martínez to explain the measures carried out during 2013 for repossessing the weeks of owners in default in the payment of maintenance fees. Ms. María Martínez submits to the attendees a report on the repossession and it is shown in the screen.

Ms. María Martínez informs that in the previous meeting in December 2012 it was forecasted that Holiday Club Canarias Sales & Marketing S.L.U. would repossess 40 weeks in 2013. The number of repossessions is in line with the budget.

The positive impact of this in the budget of 2014 is explained: it is expected a reduction of the delinquency rate from 28.49% down to 5.97%.

The Chairman states that Holiday Club Canarias Sales & Marketing S.L.U. has already shown a high commitment in pursuing the repossession since it has assumed the liability to pay the future maintenance fees for the repossessed weeks. In other words, the immediate consequence of this is that for 2014 Holiday Club Canarias Sales & Marketing S.L.U. will have to pay a substantial share of the total budget, and this is an amount that will be paid for sure. Holiday Club Canarias Sales & Marketing S.L.U. is ready to continue with this effort that will have a positive impact in future years. However Holiday Club Canarias Sales & Marketing S.L.U. is not willing to continue paying the outstanding maintenance fees upon the moment when it purchases. It is ready to pay the outstanding maintenance fees up to the amount forecasted in the budgets for 2013 and for 2014 but not any additional amount. Readiness by Holiday Club Canarias Sales & Marketing S.L.U. to continue repossessing is strictly subject to this condition. If it is not accepted, it will not continue repossessing weeks.

A debate is held on this issue, and the majority of owners show themselves ready to accept this requirement.

It is then stated that if this is accepted, Holiday Club Canarias Sales & Marketing S.L.U.'s forecast for year 2014 is to repossess up to 30 weeks. This will have a positive impact in the accounts for 2014, since this would mean that the related maintenance fees – that otherwise would not be collected - will be paid by Holiday

Club Canarias Sales & Marketing S.L.U. plus the extraordinary income will amount in 2014 to 12,450.00 Euros.

Chairman requests that the 2011 resolution is extended for the future, with the clarifications made in the resolution passed in item 5 of the Agenda above and accepting the condition stated by Holiday Club Canarias Sales & Marketing S.L.U. A voting takes place and all owners vote in favour. No owner raises any objection or wants to abstain. Therefore the following resolution is unanimously passed:

- ⇒ Holiday Club Canarias Sales & Marketing S.L. is authorized to continue repossessing weeks of clients in default in the payment of their maintenance fees and in those cases it will pay to Holiday Club Canarias Resorts Management S.L. the maintenance fee corresponding to 2013, or to 2014, as the case they may be depending on the year when the repossession takes place, but only up to the budgeted amount for each year. Upon repossession of weeks Holiday Club Canarias Sales & Marketing S.L. shall not have to pay any outstanding maintenance fees above the budgeted amounts of "Extraordinary income" for 2013, or to 2014, as the case may be. Any amounts so received will be considered as "Extraordinary income" but only up to the budgeted amount by way of "Extraordinary income".
- ⇒ Holiday Club Canarias Sales & Marketing S.L. is authorized to continue repossessing weeks of clients in default in the payment of their maintenance fees after 2014 and in those cases it shall not have to pay any outstanding maintenance fees in such cases.

Owners are asked to acknowledge the good will shown by Holiday Club Canarias Sales & Marketing S.L.U. in securing the stability in the future of the club and understand that this is a voluntary intention but it does not imply any obligation to do so.

7. Report on the collection efforts of the maintenance fees carried out by the Administrator

As part of the management tasks Holiday Club Canarias Resort Management S.L.U. has increased its efforts to collect the maintenance fees. Holiday Club Canarias Resort Management S.L.U. thinks that these efforts are a substantial part of its function as Administrator and this contributes to the benefit of all owners that want the resort to be properly maintained and that all owners pay their relevant share of the costs.

Holiday Club Canarias Resort Management S.L.U. has carried out following steps:

1. It has started a structured program for contacting clients and the staff at Customer Services has contacted all defaulting clients, has requested payment from them and has followed up with this. This has proven to be successful and many customers have voluntarily agreed to pay their maintenance fees.
2. If telephone conversations and emails contacts have not lead to a fruitful outcome, Holiday Club Canarias Resort Management S.L.U. has sent written reminders.
3. Only once the written requests have been unsuccessful, Holiday Club Canarias Resort Management S.L.U. has entrusted the collection efforts to a specialised company operating throughout Europe, called Intrum. The referral cost per customer amounts to a flat fee of 27 Euros per customer and a success commission of 14% of the amount collected.
4. Intrum has collected 12,148.39 Euros of outstanding maintenance fees at Club Jardin Amadores.

5. All these measures have contributed to the fact that the delinquency rate in 2013 is at 9.63% in comparison with 22.65% in 2012.

If the above measures have not worked out, then the cases have been forwarded to Holiday Club Canarias Sales & Marketing S.L.U. as a repossession candidate. The extra costs of Customers Services related to these efforts are reflected in the budget.

8. Proposal of deep maintenance works in the apartments of Club Vista Amadores and in areas the affect both resorts to bring them to the expected standards and presentation of the related budgets

This is an issue that affects Club Vista Amadores and is discussed for that resort.

Upon the question of one of the owners if the deep maintenance costs of Club Vista Amadores would affect the owners of Club Jardin Amadores, the Chairman explains that Club Jardin Amadores would only be responsible for shared reception costs that will feature in the budget.

The renovation works for the common areas of Club Vista Amadores will be discussed and approved, as the case may be, next year. It will be then when the works affecting the common areas shared by both resorts will be presented and submitted to the Owners Association of Club Jardin Amadores for approval. The participation of Club Jardin Amadores in the costs shall only be proportionate to the percentage of sharing of those common facilities.

Upon the question of one of the owners why a deep maintenance in Club Jardin Amadores had not been proposed, the Chairman recognises there is a need for refurbishment, but Club Jardin Amadores is in a better state than Club Vista Amadores. During the debate of the refurbishing works for Club Vista Amadores, it is ascertain that owners in Club Jardin Amadores would also favour in due course refurbishing works in Club Jardin Amadores.

9. Presentation of the budget submitted by the services company Holiday Club Canarias Resort Management S.L.U. for rendering services to the resort and the unit owners for year 2014 and its approval, as the case may be

Mr. Lucock asks Mr. Picón to present to the owners the budget submitted by the services company Holiday Club Canarias Resort Management S.L.U. to the Owners Association to provide services to the Owners in 2014. The budget includes a grand total of 603,399.19 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.U. as consideration for the services the company will provide during the year 2014 pursuant to the standards based on which have been prepared for the corresponding budgets.

Mr. Picón explains the budget to the owners:

- It is underlined that against an increase of approximately 1% of the cost of living (retail price index) as per Government statistics, the budget has only increased in 2.37%.

- A 5% is forecasted for the reparation and renovation fund. The reparation and renovation fund will only be used for extraordinary expenditure, as the maintenance fee covers the maintaining of the resort and normal repairs.

Mr. Piepgrass and other owners ask for an explanation of the new post on customer service and collections. The Vice-Chairman explains that this post has been now more detailed and explains that it covers a portion of the salaries of staff collecting the outstanding maintenance fees, the customer services staff rendering services to the owners, human resources and services. In the past (in previous budgets) this position was not specified but was rather included in the global figures of the previous budget. The Vice-Chairman also explains that the Administration fee does not include the aforementioned customer service post figures.

Another owner requests if the total figure of the customer service post could be included in the same report so it reflects what the other clubs pay.

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

The Chairman asks whether the attendees have any objection to 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 fees 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 2014;
- Non payment of the maintenance fees on time will trigger a penalty as per the by-laws of the Owners Association.

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

Mr. Calvin Lucock is re-elected 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*").

Mr. Calvin Lucock thanks all attendees for their support and confidence.

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

Mr. Roberto Picón is re-elected 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*").

Mr. Roberto Picón thanks all attendees for their support and confidence.

The Chairman states expressly his thanks for the services rendered by Mr. Roberto Picón as Secretary during 2013, which is confirmed by all attendees.

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

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

Mr. José Puente thanks all attendees for their support and confidence.

The Chairman states expressly his thanks for the services rendered by Mr. José Puente as Secretary during 2013, which is confirmed by all attendees.

13. Questions and answers

Questions and proposals of motions have been received. Ms. María Martínez explains to the owners the different questions posed and proposals arose:

- (1) Mr. Karlsson requested the following proposals to be presented and decided upon in the meeting
 - Modems for rent in the receptions: (i) the number of internet modems in the receptions is far too low in each resort. As far as we have been informed the availability of modems is only about 10 % or less of the number of apartments. There is almost always a queue of owners who want to rent a modem and many owners in the queue do not get a modem at all. Mr. Karlsson proposed that (a) the Committee of the Owners Association should be requested to examine what number of modems at each reception is enough not to get a queue as mentioned above, and (b) the cost for purchasing of this number of modems could be included in the budget of each of the Owners Association provided that the modem rentals paid by the owners is an income for the Community.

- (2) OPCA Sweden has requested the following questions be raised at the meeting
 - Sales representatives must inform about and advice in the transfer from RCI points to HCC points. Comments: The sales representatives never informed about the change of point's system at the owners transfer from a Puerto Calma Group contract into a HCC contract. Caused a lot of problems to finish the old RCI points and forced the owner to pay annual fee to RCI as well as to HCC. Suggest: RCI points to be moved to the new HCC contract immediately at the business transaction. Owners that have suffered from double annual fee to be compensated.
 - What are the rules that allow a small child can exclude me from my apartment. It is the owner who has insurance and it is also my apartment? For example: you are a family with two children and get one child more. You can't use your apartment?
 - What are my options to change my ownership to PC or Åre.
 - When are you going to offer the owners to sell their weeks
 - Will there be any rental pool within Holiday Club to book a stay at another facility and in a different time than they have contracts?

- (3) OPCA Norway has requested the following proposals and questions to be discussed and answered at the meeting

- It is proposed to install Internet in all flats. Either by use of existing solution (15€/week) or alternative solution to be evaluated by HCC. Owners to pay.
- It is proposed to allow owner associations to send out contact info with the minutes of meeting to let the owners decide who they want to represent them.
- If the representation at the owner meetings is below 50% matters with cost impact shall be sent out to all owners for vote.
- It is proposed that HCC establish a rental portal for weeks on the homepage. OPCA will then cancel their page for rental. ref §5
- It is proposed that the procedure for change of owners is simplified with a low fee for weeks without deed.(PCM charged nothing for this) 350€ is excessive.
- Eurosport should be in English not German.
- Change out all TV's to modern standard with HDMI interface. Change existing furniture to allow approx. 46" size on the wall with a low bench in front.
- Records for 2012 not presented. This is not according to the law?
- Some questions in 2012 meeting not answered in MOM.
- Call for meeting not sent on email only letters. Should not be needed. Email message that the papers are posted on the internet. Will save stamp costs. Should be improved for next year.
- Proposals for the agenda should be called for before call for meeting? Many proposals not treated in the meeting last year?
- Questions and answers is NOT the same as items to be handled on the agenda.
- Limousine service is not working on Saturdays? No show.
- What is the new budget post "Customer services"?

(4) Mr. Thomas Hagenfors would like to propose that there should be free Wifi in all rooms and considers that having to pay for the wifi is outdated.

(5) Mr. Mark Hambelton has sent the following questions:

- Technical Service at Jardin jumps by almost 12,500.00 Euros but in Playa it's only 100 Euros. Is this the long awaited free in-room wifi and flat screen TV's with improved channels?
- Electricity at Playa increases far more than at Jardin, what is the payback time for a decent solar system to cut this cost?
- Gas decreases at Jardin but increases at Playa?
- Customer Services, new item on all budgets. what is this? Almost 53,000.00 Euros at PC!
- That's an awful lot of switchboard maintenance 6,000.00 per site?
- Insurance at Jardin is 50% less but Playa has not had this same discount?

(6) Ms. and Mr. Sue and Robin McCaughan have sent the following questions:

- The balconies in JA have no privacy and would it be possible to screen off each apartment?

The different questions are addressed and answered. Since most of the clients in writing and during the meeting have raised the issue of access to internet in the resort, the Chairman addresses this specific issue. The Services Company has looked into this issue and studied different options. Owners are advised that there is already WIFI available at the reception but the Services Company is very well aware of the fact that there is a majority wish of the owners to have access to Internet directly from their room.

The Chairman states that Holiday Club Canarias Resort Management S.L.U. is ready to increase the number of modems available at the reception for lease up to 10 units.

Details about the actual leases of modems are disclosed, and the fact that there is a clear demand for modems during winter season, but not in summer season. The option to purchase the modems through the Owners Association and respective rental income to be allocated to the Owners Associations was disregarded, as the number of modems purchased should be equivalent to the number of apartments in the Club as every owner would expect to have a modem available during their stay, whereby the costs would be greater than the rental income.

Owners authorise the services company to look for a good technical solution for providing WIFI Internet access but at a more affordable cost, and submit the proposal to the owners next year as point on the Agenda.

An owner asks if it can be guaranteed having a WIFI modem available for rent upon arrival. The Chairman explains that this cannot be the case since there are a limited number of modems and they are put at the disposal of the clients according to the order of requests.

An Irish owner suggests including the WIFI proposal together with the calling of the meeting next year.

A Scandinavian owner indicates his concern that pictures are taken in the pool area by clients that are on a sales presentation. The Chairman mentions he will communicate this to the sales team.

All further questions raised were debated but no resolutions were made.

It was decided to set the date for the Owners Association meeting for 2014 in first week of December 2014.

A specific answer is provided to the more specific questions (these answers were not provided during the meeting but are included in the minutes for general knowledge by the owners) as follows:

- The increase of the technical service at Club Jardin Amadores is explained. In the budget for 2013 the costs of the technical service department (9 staff) were split into the clubs according to the number of apartments. This implied that Club Jardin Amadores would pay 10% of the cost. However Club Jardin Amadores cannot have only 10% of the cost, because it means less than 1 employee, and there are not just the salary costs of one employee but also other costs involved. So the budget for 2014 regarding the Technical Service is calculated on the basis of the real cost (1 employee 5 days a week + 1 employee 2 days a week + covering holidays).
- Regarding the electricity supply at Club Jardin Amadores, a solar system is not a solution. Solar cells can be used only to heat the boilers (for hot water). The services company is working with an expert engineering company – and the best solution is to install a system that works with gas. Gas will be used not only to heat the boilers (as is it done today), but also to generate electricity to get air conditioning and heat the swimming pool. The investment however would be around 180.000 €
- Regarding the question on the decrease of gas costs at Club Jardin Amadores it is explained that Budget 2013 included a debt that Club Jardin Amadores had with the supplier of gas during Puerto Calma Group management. This debt has already been paid.

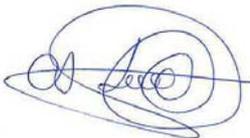
- Regarding the switchboard maintenance costs, it shall be noted that switchboard has been changed in 2013 in the club. The inversion of the machinery and the maintenance is shown into the budget.
- Regarding insurances, it shall be noted that the Services Company has negotiated insurance policies with different companies. The best quote comes from AXA. The new quote provides for a discount of the insurance costs for all the clubs. However the AXA quote does not provide for the same decrease for all clubs.

14. Approval of the Minutes

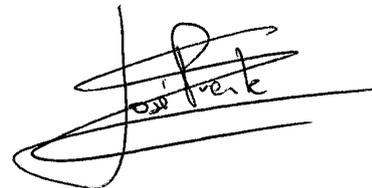
According to the terms of the law, the minutes will be prepared by the Secretary within the next ten days and once they are ready, the Minutes will be signed by the Chairman and the Secretary of this Meeting.

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 meeting was closed on Friday, 6th December 2013 at 16:10 hrs.



THE CHAIRMAN OF THE MEETING
Mr. Calvin Lucock



THE SECRETARY OF THE MEETING
Mr. José Puente