

**Ordinary General Assembly of the  
Owners Association of Club Playa Amadores**

("Comunidad de Propietarios del Complejo de Apartamentos Club Playa Amadores")

An Ordinary General Assembly of the Owners Association of Club Playa Amadores ("**Owners Association**") is held on 6 December 2013. First call at 9:00 am, second call at 9:30 am.

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

Assistance and representations

- **Holiday Club Canarias Sales & Marketing S.L.U.**, holding 270 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 173 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 68 weeks ("co-ownership shares") by way of proxies granted for such purpose.
- **Mr. Nils Fredrik Braathen** representing owners holding 14 weeks ("co-ownership shares") by way of proxies granted for such purpose.
- **Mr. Holger Piepgrass** representing owners holding 18 weeks ("co-ownership shares") by way of proxies granted for such purpose.
- **Ms. Liv Grue** representing owners holding 11 weeks ("co-ownership shares") by way of proxies granted for such purpose.
- **Ms. Kristine Abrahamson** representing owners holding 37 weeks ("co-ownership shares") by way of proxies granted for such purpose.
- **Ms. Solfrid Alme** representing owners holding 8 weeks ("co-ownership shares") by way of proxies granted for such purpose.
- 13 **Owners** attend in person to the meeting, representing 24 votes. They are British, French, German and Scandinavians, according to the list attached.

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 Playa Amadores held on 7 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 are made in German, Finnish 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.

Being present or represented owners holding a total number of 623 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. 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
9. Appointment and/or renewal as appropriate, of the Chairman of the Owners' Association

10. Appointment and/or renewal as appropriate, of the Vice-chairman of the Owners' Association
11. Appointment and/or renewal as appropriate, of the Secretary of the Owners' Association
12. 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 Chairman explains that the Minutes of the General Meeting held on 6<sup>th</sup> 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](http://www.hccanarias.com)

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

The Chairman 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 and addresses the following issues:

- Repossessions
- Debt collection company
- The Services Company is more or less on budget
- The Chairman informs that Holiday Club is working on a proposal for creating a small commercial centre in the area where the offices are located today.

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](http://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. During the meeting it is shown to the owners how to access to the webpage and to the documents.

### **3. Status of the reparation and renovation fund and of the uses given to the fund (Roberto)**

Mr. Roberto Picón explains the situation of the funds. As per 2013 budget, the total amount of the renovation fund is € 12,575. 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 €18,662.

The Chairman introduces the issue of the need to carry out certain important improvements in the resort, namely the following:

- A LCD/LED flat screen TV to be put in all apartments
- Renovation and replacement of part of the terrace furniture

Ms. Hellum asks if the new terrace furniture will be of the same quality and if the shelves can be kept. The Chairman confirms that the terrace furniture will be replaced with furniture of the same quality and that the general consensus of the majority of owners is to remove the large piece of furniture in the lounge. Shelves under the new TV can be looked at. One owner asks whether the owners would be able to decide and give opinions on the furniture. The Chairman welcomes suggestions and comments but indicates that owners need to understand that they are many, and if all of them are to comment or to decide on the pieces of furniture, it will be difficult to implement the measure, since everybody has different preferences. The owners attending acknowledge that and that the Services Company is authorised to look for and select the appropriate pieces of terrace furniture.

Various owners mention that the light in the apartment is not bright enough and is located in the wrong place.

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 there is a shortfall Holiday Club Canarias Resort Management S.L. will finance the difference to be taken from the renovation fund of 2015.

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 purchase and installing of a LCD/LED flat screen TV to be put in all apartments and for the renovation and replacement of part of the terrace furniture.

#### **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 714,741.31 Euros.

- (b) The actual level of expenses to third parties amounted to 664,251.61 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 606,052.89 Euros, however due to the repossession during the year, and extraordinary income of 9,265.51€ is reflected which gives us a balance of 615,318.40 Euros.
- (d) The comparison between budgeted and real figures shows a deficit of 48,933.21 Euros due to the amount of unpaid maintenance fees of 43,689.80 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/reparation 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 37,708.30 Euros against the due amount of 86,641.51 Euros, which is 15% of the actual expenditure.

An owner states that, years ago, the maintenance fee was in Club Playa Amadores were much lower than the maintenance fee in Club Puerto Calma and wonders why it is now higher. The Chairman states that this refers to the past and he was not there so he does not know the background. Having said so, he explains that the cost of running a small resort such a Club Playa Amadores is higher per apartment than the running cost of a large resort such as Club Puerto Calma; for instance both resorts require 24 hour reception, but the fact that this cost is split among a lower number of apartments implies that per apartment it is necessarily higher. Furthermore, the moment of time the owner may be referring to may be the moment when Club Playa Amadores was opened. The maintenance fee at that moment was in respect of a club that was brand new and its maintenance costs should have been clearly lower than those in Club Puerto Calma at that moment. Nevertheless, it should be also not forgotten that the cost calculations made in the past by the Puerto Calma Group were incorrect.

Mr. Piegrass 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 services company profits were substantially reduced.

The Chairman explains that the decisions taken last year (throughout 2012 and 2013) show already results and thanks to them there is now only a slight increase in the maintenance fee in the 2014 budget. The Services Company will continue doing 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 44,000.00 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, 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.U., 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](http://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 Playa Amadores is in line with the accounting of Holiday Club Canarias Resort Management S.L.U.;
- (e) The amount of expenses allocated to Club Playa 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 Resort Management S.L. 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 on 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 35 weeks in 2013. The number of repossession 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 10.91% down to 3.58%.

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 until it sells them. 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. Certain additional questions are raised and answered in this item of the Agenda, but they do not refer to the item itself and for the purposes of these minutes, they are placed in the item on questions and answers.

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 10 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 4,250.00 Euros.

Chairman requests that the 2011 resolution is extended for the future, with the clarifications made in the resolution passed in item 4 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 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 13,250.72 Euros of outstanding maintenance fees at Club Playa Amadores.
5. All these measures have contributed to the fact that the delinquency rate in 2013 is at 5.03% in comparison with 6.72% 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. 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 2013. The budget includes a grand total of 764,054.47 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 5.14%.
- A 3% 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.

Ms Hellum wants to know if the increase in cleaning means an increase in salaries for the housekeeping staff that do a great job. The Chairman explains that in Spain salaries are paid according to the different categories and the personnel that is on a minimum wage will additionally receive the yearly inflation percentage increase.

An owner asks what the difference between the washing and laundry post is. The Vice- Chairman explains that the first includes the salaries of the staff and the latter includes the costs for washing, e.g. machinery, maintenance, products etc.

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.

#### **9. 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.

#### **10. 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 Vice-Chairman during 2013, which is confirmed by all attendees.

#### **11. 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.

## **12. 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 written 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 if 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 written 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?
  - 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 written 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. Mark Hambleton has sent the following written questions:

- Technical Service at Jardin jumps by almost 12,500 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 Amadores, what is the payback time for a decent solar system to cut this cost?
- Gas decreases at Jardin Amadores but increases at Playa Amadores?
- Customer Services, new item on all budgets. What is this? Almost 53,000 Euros at PC!
- That's an awful lot of switchboard maintenance 6,000 per site?
- Insurance at Jardin Amadores is 50% less but Playa Amadores has not had this same discount?

These questions are answered 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 one 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 (one employee 5 days a week plus one employee 2 days a week plus the required time for 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 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 switchboard maintenance costs, it shall be noted that switchboard has been changed in 2013 in the club. The investment in 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.

(5) Mr. Simon Hesselberg has sent the following question in written:

"Would be pleased to hear about the update on my motion that I raised last year at the AGM at Playa de Amadores about the televisions to be upgraded to include subtitles for Deaf and hard of hearing. Await to hear the outcome of your investigations on this matter"

The Vice-Chairman states that he has already requested the TV supplier to look into this. The option for subtitles was sourced with the current TV channels supplier. The subtitles can be obtained via Teletext, but only if the respective channel offers Teletext and if the respective programme broadcasts the subtitle functions. The TV channels supplier indicated that there is no alternative option available.

The different questions are addressed and answered. During the meeting, following questions are raised:

An owner asks for clarification on the timeshare and shared ownership concept which was explained by the Chairman and the Secretary.

A few owners raise questions about change of type of unit or weeks, the respective levies required and already paid maintenance fees. The Chairman suggests to meet with Ms María Martínez to look at the circumstances individually, but explains that with regards to levies for changing the unit or weeks, Holiday Club Canarias Sales & Marketing S.L.U. is a commercial entity and as well as an owner of the unsold and repossessed weeks for which maintenance fees and the initial investment to the mother company must be paid.

A British owner asks if aforementioned levies and prices can be placed on the website. The Chairman confirms that a summary will be included in [www.hccanarias.com](http://www.hccanarias.com) and will work on a solution to put these on the home page in the future.

A British owner mentions that it is difficult to change her T2 for a T1 in Club Playa Amadores. The Chairman explains that practically everything is sold and the weeks that Holiday Club Canarias Sales & Marketing S.L.U. owns are used for commercial purposes.

Ms. Hellum wants to know if a resale programme will be offered. The Chairman explains that the first priority is cleaning the bad debt and ensuring the maintenance fees are paid. A resale option might be looked at in the future. The Chairman explains that if Holiday Club Canarias Sales & Marketing S.L.U. does not source clients that can pay the maintenance fee, the Owners Association would be facing increasing debts and subsequently not be able to run the Club.

An owner asks if the wooden pavement around the pool will be changed, as some parts are splintering. The Chairman mentions that this is a cost that would have to come out of the renovation and reparation fund which will be used this year for changing the TV's and terrace furniture. The changing of the pool pavement will be looked at if the fund has accumulated additional monies.

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 is a limited number of modems and they are put at the disposal of the clients according to the order of requests.

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

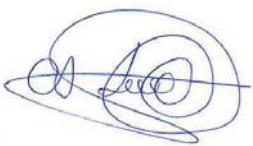
It was decided to set the date for the Owners Association meeting for 2014 in the first week of December 2014.

#### **14. Approval of the Minutes**

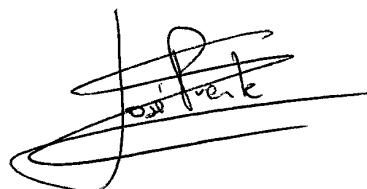
According to the terms of the law, the minutes will be prepared by the Secretary within the next ten days and once they are ready, the Minutes will be signed by the Chairman and the Secretary of this Meeting.

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, 6<sup>th</sup> December 2013 at 12:00 hrs.



**THE CHAIRMAN OF THE MEETING**  
Mr. Calvin Lucock



**THE SECRETARY OF THE MEETING**  
Mr. José Puente