

**MINUTES ANNUAL GENERAL MEETING OF THE
GENERAL COMMUNITY OF HACIENDA RIQUELME**

The meeting started at 9:30 am with the attendance of the following members of the Committee:

ATTENDEES:

Name	Post
Nigel Bradbury	Resort President
John Millroy	Phase 3 President
Stuart Billingham	Phase 4 President
Ron Locke (Skype)	Phase 5A President
Vivian Church (Skype)	Phase 5B President
Michael Corke	On behalf of Ian Graham Phase 7 President
María José Ros	Polaris World
Isaac Abad	Resortalia
Pepa Pérez	Resortalia

The meeting started with the resignation of Ian Graham as Phase 7 President.

Also, Nigel Bradbury presented a statement which is included below.

“It is with regret that I have decided that, as things stand, I will not be putting myself forward for re-election as the Community’s President.

It had always been my intention to serve for two if not three years but over the course of this year I have received too many rude and downright unpleasant e-mails not to mention adverse comments on the various forums which has caused me to reconsider .

Even when I was still in full time employment, I estimate that I was spending more than 30 hours per week on community business and since retirement, that figure has risen to more than 40. For the vast majority of owners, who do appreciate the effort, it has been a pleasure to work on their behalf.

Unfortunately, a small minority seem intent on making the management of our urbanisation increasingly more difficult than it needs to be – hence my decision.”

Furthermore, Michael Corke also attending the meeting said that he currently has no intention to put his name forward for the General Community Presidency.

Ron Locke also stated that he would not be prepared to stand for the Presidency due to the amount of abuse and criticism than seems to go with the role.

1 & 2. Approval of the reconciliation of the Budget of the General Community for the period from 1-01-2012 to 31-12-2012, and approval of the budget of the General Community for the period from 1-01-2013 to 12-12-2013.

Because of the relation between point 1 & 2 of the agenda it was agreed to treat and vote both at the same time.

1 – GARDENING COMMUNAL AREAS:

Reconciliation 2012: the over expenditure is caused by the increase of the VAT rate from 1st September 2012. Approved by unanimity.

Budget 2013: The current 3 years contract with the garden company, STV, ends 31/12/2013. The increase is based on the 2, 03% CPI from 1st January 2013 confirmed by STV and the change of the VAT from 1st September 2012. Approved by unanimity.

2 – GARDENING L. AUTHORITY LAND:

Reconciliation 2012: the over expenditure is caused by the increase of the VAT rate from 1st September 2012. Apart from that, there was a typing mistake when the 2012 budget was done and the amount included was 2.765 € lower. The real amount was 69.033,96 €. Approved by unanimity.

Budget 2013: The current 3 years contract with the garden company, STV, ends 31/12/2013. The increase is based on the 2, 03% CPI from 1st January 2013 confirmed by STV and the change of the VAT from 1st September 2012. Approved by unanimity.

3 – IRRIGATION WATER FOR COMMUNAL AREAS:

Reconciliation 2012: There is a under expenditure due to several factors:

- Change of provider from 2nd August 2012 to a cheaper and best quality water one (Acuamed).
- No need to do irrigation during October, November & December 2012 because of the rain.

Approved by unanimity.

Budget 2013: It was agreed unanimously that there was no known justification for increasing the consumption this year.

	Total in M3 from 01-01- 2012 to 2-08-2012 CREA contract	Total in M3 from 02-08-2012 to 31-12-2012 ACUAMED contract	Total consume in 2012	For 2013 Budget in €
Water Consumption Communal Areas	89.968	57.986	147.954	180.947,41 €
Water Consumption Local Aut. Land	22.712	23.267	45.979	55.802,90 €
Total Water Consumption	112.680	81.253	193.933	236.750,31 €

4 – IRRIGATION WATER FOR L. AUTHORITY LAND:

Reconciliation 2012: The over expense is due to the fact that the water consumption in the L. Authority Land has been higher than expected. Also, and taking into account previous years we have the following:

	2011	2012
Budgeted in €	30.000,00	50.000,00
Real expense in €	71.285,35	56.902,02

As 2011 was the first year for the Community to assume the cost of the water in the L. Authority Land, there was no reference from previous years to do a most accurate estimation.

Approved by unanimity.

Budget 2013: It was agreed unanimously that there was no known justification for increasing the consumption this year.

	Total in M3 from 01-01- 2012 to 2-08-2012 CREA contract	Total in M3 from 02-08-2012 to 31-12-2012 ACUAMED contract	Total consume in 2012	For 2013 Budget in €
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5 – PLAGUE FUMIGATION:

Reconciliation 2012: In line with the budget. Approved by unanimity.

Budget 2013: The figure included is based on 12 payments of 751, 16 € + VAT (21%).
Approved by unanimity

6 & 7 – ELECTRICITY PATH LIGHTS, POOLS, FOUNTAINS & RITI'S + ELECTRICITY STREET & PERIMETER LAMPS & PUMP STATION.

Reconciliation 2012: The estimations in lines 6 & 7 done for 2012 were not accurate as the consumptions related to the street & perimeter lamps & the pump station for November & December 2011 were taken into account in line 6 instead of line 7. When you take lines 6 & 7 together, they both show the total estimation and the real expenditure for 2012. As you can see there is a under expense for the total electricity consumption of the general community. Amongst different factors for this under consumption, we have that the pump station has not been working continuously since the water contract was changed to ACUAMED. Approved by unanimity.

		Estimation 2012	Real Expense 2012
6	Electricity Path Lights, pools, fountains & riti's	125.000,00	89.140,95
7	Electricity Street & Perimeter Lamps & Pump Station	35.000,00	49.201,84
	Total Electricity Expense General Community 2012	160.000,00	138.342,79

Budget 2013: As the budget is done based on the previous years consumption the new amount for lines 6 & 7 has been calculated based on that and also taking into account the increase

of the VAT and CPI from January 2013. The previously estimated amount was reduced by 20.000 €. Approved by unanimity.

		Real Expense 2012	Estimation 2013
6	Electricity Path Lights, pools, fountains & riti's	89.140,95	95.000,00
7	Electricity Street & Perimeter Lamps & Pump Station	49.201,84	53.000,00
Total Electricity Expense General Community 2012		138.342,79	148.000,00

8 – RUBBISH COLLECTION AND CLEANING COMMUNAL AREAS:

Reconciliation 2012: The over expenditure is mainly due to the increase of the VAT from 1-09-2012 and also because of the “Canon de Reciclaje” (Tax which has to be paid based on the kilos of organic rubbish STV collects from the rubbish containers in the complex and which can not be recycled). Approved by unanimity.

Budget 2013: The estimated budget for 2013 is based on the contract and taking into account the new VAT rate (10%) and the increase of the 2, 90% CPI from January 2013 confirmed by STV. This year the estimation for the “Canon de Reciclaje” is 6.000 € based on 2012. Below is a chart with the tax per month in 2012. Approved by unanimity.

2012	Canon Recycling
January	278,82
February	379,67
March	302,43
April	354,50
May	500,36
June	458,99
July	573,48
August	906,25
September	1.130,97
October	547,57
November	692,96
December	635,37
Total Tax in €	6.761,37

It was agreed not to change the budget but action should be taken to try and reduce the amount of rubbish that is being put in the bins. Originally all the bins had a notice on them clearly identifying what should be put in the bin. New notices would be prepared and put on all the bins to help people recycle more effectively and thus reduce the costs.

9 – SECURITY:

Reconciliation 2012: The over expense is due to the increase of the VAT rate from 1-09-2012. Approved by unanimity.

Budget 2013: The amount included has been calculated taking into account the 21% VAT and also the 3% discount for prompt payment. As per the contract there is no CPI increase. Approved by unanimity.

10 – SECURITY SYSTEM MAINTENANCE:

Reconciliation 2012: Even when the contract was signed later 2011, and there were invoices issued from January 2012, Resortalia asked Vigilant for a refund as the Security System was not completely working until June 2012. This is what mainly caused the under expenditure.

The increase of the VAT was included in the invoices from September to November. The invoice from December was received dated 2-01-2013. Approved by unanimity.

Budget 2013: The amount included has been calculated taking into account the 21% VAT and also the whole year 2013 (12 months). Approved by unanimity.

11 – POOLS & FOUNTAINS MAINTENANCE:

Reconciliation 2012: The only reason for the under expenditure in this line is due to the fact that the fountains have not been working the whole year. As the water they use comes from the irrigation system it depends on whether it is necessary watering the green areas. Therefore, the coldest and raining months of the year it is not expected to have them connected.

Although the company doing the maintenance of pools and fountains checks the fountains even when they are not working, they do not send the community invoices for the service. Approved by unanimity.

Budget 2013: The amount included has been calculated taking into account the 21% VAT. As per the contract there is no CPI increase. Approved by unanimity.

12 - ADMINISTRATOR:

Reconciliation 2012: The over expense is due to the increase of the VAT rate on the last quarter of the year. Approved by unanimity.

Budget 2013: The amount included has been calculated taking into account the 21% VAT and also the estimated 3% CPI. Approved by unanimity.

13 – INSURANCE:

Reconciliation 2012: The over expense is because when the 2012 budget was done, the increase due to the revaluation had not been confirmed yet. Approved by unanimity.

Budget 2013: The increase of this line for 2013 is due to the revaluation (CPI increase). It is also decided & unanimously agreed to arrange a 3 years policy with Mapfre keeping the policy cost for 2013 in 2014 & 2015. They payment will be quarterly as they used to be until now. Approved by unanimity.

14 – TV SYSTEM MAINTENANCE:

Reconciliation 2012: The under expenditure is caused by a discount A2Z made in September & October invoices due to the complaints of the bad service the owners were reporting. The total discount was of 9.021, 76 €; however, as the % of the increase of the CPI was not taken into on the 2012 budget, the real under expenditure is 5728, 40 € Approved by unanimity.

Budget 2013: The figure has been calculated base on the close 5 years contract the community arranged in 2011 with A2Z. Approved by unanimity.

15 – GENERAL MAINTENANCE:

Reconciliation 2012: The estimated amount for 2012 was based on previous years. The over expenditure is due to the different repairs carried out throughout the year. Below is a list of some of the expenses: Approved by unanimity.

- a. Motors and repairs at the pump station.
- b. General maintenance.

- c. Pumping water out of the lift shafts of those buildings with problems.
- d. Bulbs.
- e. Railing of the garage ramp of Adriático 22-36.
- f. Installation of the new infrastructure at the pump station to purchase water from ACUAMED.
- g. Repair of broken irrigation pipes and valves.

Budget 2013: Some of the 2012 expenses have been deducted and new lines have been created for the 2013 expense. Approved by unanimity.

16 – DECODERS IRRIGATION SYSTEM:

Budget 2013: This is one of the new lines created for 2013 to see exactly the expense of the Community in the decoders. The amount included is estimation as the reference taken has been the amount spent in 2012. It was agreed further work would be done to identify why the decoders were failing so regularly. Approved by unanimity.

17 – REPLACE BULBS OF STREET & PERIMETER LAMPS & CHERRY PICKER:

Budget 2013: This is one of the new lines created for 2013 to see exactly the expense of the Community related to the street & perimeter lamps with the cherry picker. The amount included is estimation as the reference taken has been the amount spent in 2012. Approved by unanimity.

18 – RUBBISH CONTAINERS MAINTENANCE:

Budget 2013: This is a new line created for 2013 forwards. The current state of the underground rubbish containers and their mechanisms is very bad and needs urgent repairs and frequent maintenance. To carry out this kind of maintenance it is necessary a lorry with the appropriate mechanism to lift up the containers. The figure included is the offer Resortalia has

received from a provider; however, a contract has not been closed yet as a proper tender has to be initiated as the cost is higher than 10.000 € and based on the procurement policy of the community a minimum of 3 offers need to be requested. Approved by unanimity.

19 – POOLS WATER CONSUMPTION:

Reconciliation 2012: As the water meters of the pools were installed between April & June 2011, the estimation done for 2012 was based on the pools water consumption from April to December 2011 plus an extra amount for the 1st quarter of the year which there was no invoices to take as a reference. The over expense is mainly due to the fact that the estimation was not 100% accurate. Approved by unanimity.

Budget 2013: It has been considered to increase this line up to the 5% as per the new tariffs that EMUASA (the water company) can publish from January 2013 and also the change of the VAT. Approved by unanimity.

20 – MISCELLANEOUS EXPENSE:

Reconciliation 2012: The estimated amount for 2012 was based on previous years. The over expenditure is due to the different issues carried out throughout the year. Below is a list of some of the expenses:

- a. Pigeons traps.
- b. Room for the 2012 AGM and sworn translators.
- c. Decoders for the irrigation system.
- d. Accountancy Auditors.
- e. Repairs of street & perimeter lamps with cherry picker.

Approved by unanimity.

Budget 2013: Some of the 2012 expenses have been deducted and new lines have been created for the 2013 expense. It was unanimously agreed to reduce the previous draft budget amount to 25.000 € taking into account that the pigeon traps could be removed or reduced within 2013. Issue to be discussed in the future.

21 – METERS INSTALLATION:

Reconciliation 2012: The under expense is due to the fact that the amount included was an estimation of the cost of the installation of the new electricity meter for pool 7-2 in Phase 7. It is not expected to have to install any meter in 2013. Approved by unanimity

22 – PROVISION CLAIM AGAINST TOWN HALL IN MURCIA:

Reconciliation 2012: As the amount included was a provision, the exactly amount was not known. It is not expected to have any further costs in 2013. Approved by unanimity.

23 – REPLANTING:

Reconciliation 2012: The under expense is due to the fact that the cost of the replanting for 2012 was less than expected because different factors:

- a. The amount of 6.000 € to plant season flowers included in STV contract was used to reduced the total cost of the planting.
- b. It was agreed to use the gardeners doing daily tasks for the replanting and in this way save the cost of the extra labor for the replanting.
- c. The cost of the plants was negotiated with STV in order to get the cheapest quote.
- d. There was also an agreement to plant pine trees in the L. Authority Land along Phase 2 & 6. This task was never carried out due to concerns about a particular type of caterpillar.

Approved by unanimity

Budget 2013: It is agreed by unanimity to remove this line from 2013 budget. The only amount to be used for the replanting in 2013 will be the 6.000 € included in STV contract for seasonal planting which does not need to be included in the budget.

24 – PUT GRAVEL, HEDGES, LIGHTS & SCREEN COMPOUND:

Reconciliation 2012: All the jobs included in this line were carried out in 2012, getting a discount in 1 of them (planting at the workers compound), which is the reason of the under expense.

- a. Gravel: 6.689, 86 € VAT included.
- b. Hedges planted in 2011 & invoiced by STV in 2012: 3.935, 63 €

- c. Installation of 3 perimeter lights at the play ground in phase 1: 7.408, 04 €
- d. Screen at the workers compound: 2.150, 90 €

Approved by unanimity

25 – MAINTENANCE SOFTWARE IRRIGATION SYSTEM (NSN)

Budget 2013: There was a 3 years contract initially arranged in 2010 with NSN to do the maintenance of the irrigation software. It was also paid at that moment as one of the requests of the agreement was to pay it in advance. The contract finishes the 27th January 2013 and it is necessary to arrange a new one. The amount included is for a 3 years contract again. It also includes Electricity Surge Coverage. The amount can be paid monthly, quarterly, yearly or twice a year; however, the cost would be higher because of the interest rate. It is agreed by unanimity to arrange the contract and in just one payment.

26 – POOLS TILES REPAIR:

Budget 2013: This is a new line on the 2013 budget based on the huge amount of missing tiles a few pools suffer. The amount to carry out repairs in the worst pools (1-1, 1-2, 1-3, 2-2, 3-1, 5-2 & 7-1) is of 1.670 € (labor plus materials); however as they need to be empty to have the work done the cost of the water would be 14.500 € approximately. Due to concerns about the large increase in budget this year it is agreed by unanimity to include 8.000 € in the 2013 budget and do a visit to inspect them with Vivian Church, Stuart Billingham and the manager of the pool company. Health & Safety issues would be the main criteria when deciding which pools would get urgent intention. The pool company would be approached to ensure that only in an emergency would pools be drained to replace the tiles. Wherever possible they would be asked to replace tiles without draining the pool. Viv Church and Stuart Billingham to report back and new costings to be calculated following the inspection.

27 – PROVISION LONG TERM REPAIRS & RENEWALS:

Budget 2013: Having taken advice from a building painting company It was agreed unanimously to reduce the previous draft budget amount by 100.000 € to 250.000 € as Fund for the repainting and any repairs to be carried out in 2013 related to the building defect claim. Before painting can be done we need to solve the damp problems. We are talking to a Dutch company

which has a very good reputation in Holland for the use of a revolutionary way of curing damp problems, without the use of damp proof courses. This is a new line for the budget in 2013.

Update 19-02-2013: At the EGM held on Tuesday 19th February 2013 it was unanimously agreed to finally add the amount of 100.000 €.

28 – WORKS REGARDING THE PLANTING OF PINE TREES AT THE WORKERS COMPOUND:

Budget 2013: This is a new line for the budget in 2013 related to the planting of pine trees at the workers compound behind the current oleanders in order to create a bigger screen and avoid the views of the cabins, machinery and workers from the buildings close to it. Approved by unanimity

29 – URBANIZATION DEVELOPMENT:

Budget 2013: This is a new line for the budget in 2013. It was agreed unanimously to reduce the previous draft budget amount by 10.000 €

30 - DEBT PROVISION

It was unanimously agreed that the GC would be paying all the expenses about debtors of every single sub-community and paying all the expenditures (Recovery Agencies, Lawyers etc.). Provision for the 20% penalty would not be made as it would be unfair to charge this to other owners. Debtors would be managed by the GC. The provision in future will be done at GC level. The provision as of 31-12-2012 would be done based on debtors as of 31-12-2010. Every single debt prior to 31-12-2010 which may need provision will be scrutinised by MK & NB in order to decide the exactly amount to be added as a provision. The total amount of debt as of 31-12-2010 is of 175.316, 12 €. Also, there will be a communication to all the owners explaining the new system which will be drafted by Ron Locke.

Resortalia was asked to check that what was proposed was legal. They agreed to investigate further and also discuss it with our auditor.

Update 19-02-2013: Followed to the Audit Report, at the EGM held on Tuesday 19th February it was agreed by unanimity to finally include the amount of 131.284,80 € as the 75% of the total amount of debt as of 31-12-2010.

31 – RESERVE FUND:

Reconciliation 2012: The initial Reserve Fund as of 1-01-2012 was of 145.035, 08 €. Then, the reserve fund budgeted for 2012 was 179.704, 23 €. Because of the 131.284,80 € related to the “Bad Debt Provision as of 31-12-2010, the final balance as of 31-12-2012 is of -116.962, 50 €, which leaves a final available Reserve Fund of 212.849, 29 € as of 31-12-2012.

Budget 2013: Since the compulsory Reserve Fund for 2013 is the 20% over the previous year budget (2012) amounting 379.603, 15 €, the General Community must allocate 166.753,86 € to the new 2013 budget to reach the compulsory amount.

3. Discussion and approval, in the case, to empower the President of the General Community to confer power in legal proceedings for judicial actions against Kettlewell Solutions Limited.

It is unanimously approved to start the legal claim against Kettlewell Solutions Limited contracting the services of the Law Firm Wellbeck Law LLP.

Also, there is going to be a research in order to decide which company is going to be used in the UK to prosecute debtors. It is suggested to look for an alternative recovery agency in Spain. It is agreed to work with 2 different agencies in Spain and 2 different ones in the UK.

Furthermore, it is agreed unanimously to take the following actions in order to reduce the amount of debt:

- A2Z: Agreement to spend the requested amount by A2Z & cut TV to the debtors who are already using the service.
- Stop debtors from using the pools. At the AGM a proposal will be presented to modify the statues of the Community.
- Resortalia will not attend to any issue by an owner if the owner is a debtor. Notices will be put in the office.
- The list of debtors would be published on the website of the Community when the AGM is called if it was allowed by Data Protection Law. [Waiting for the definitive answer to the enquiry presented to the “Agencia Española de Protección de Datos” \(Spanish Agency of Data Protection\).](#)
- Resortalia will have to be involved at any meeting with any Recovery Agency in order to be aware of any decisions.

- If the Recovery Agency cannot trace a debtor within 30 days the file will be sent back to Resortalia.
- Resortalia will not manage any Insurance Claim of a debtor.
- The limit of the expenditure of a SC will be up to the amount of the net reserve if it (Reserve Fund less amount of debt). If the BP does not want to follow it the issue will be escalated to the PP and GCP.

4. Approval of Debtors List – Approve that the debtor list includes all the outstanding Community fees, increased by 20% for late payment, with the intention of enabling legal action to be taken against them.

María José Ros on behalf of Polaris World attended the meeting with the aim to present a proposal to pay the outstanding fees related to the Commercial areas in 5 instalment starting the 15th February 2013 and subsequently the 15th of each month. As part of the agreement to accept this the committee stated that we would expect PW to do agreed items of work for us. The agreement will be documented and sent to PW for their signature.

5. Approval of legal action against debtors – Equally empower the President of the Community and the Administrator to confer power in legal proceedings for said action to the representing Solicitor.

Approved by unanimity.

6. Any Other Business.

The meeting finished at 14:45.