

## **MINUTES OF THE ANNUAL GENERAL ASSEMBLY OF THE E.U.C. SITIO DE CALAHONDA, HELD ON THE 29<sup>th</sup> OF MARCH 2007.**

The General Assembly was held on 29 March at Club La Naranja, Sitio de Calahonda, Mijas Costa. The meeting was opened at 10:30 a.m., at the time of the second calling, with a total attendance of 43,92%. The President, Mrs. Coral Castronuño, welcomed all those present and indicated that the meeting would be conducted in accordance with the rules of debate as had been the custom in previous Assemblies. Mr. Bremner explained these rules. She informed the meeting that matters of general interest would be discussed and therefore asked everyone who had doubts or problems of a personal nature to bring these up at another time with the Board Member in charge of the matter in question.

### **Item 1.- Approval, if warrants, of previous minutes.**

The minutes of the last AGM held on the 30 March 2006 had been sent by post to all the owners and no objection had been received within the time limit. **A vote was taken and the minutes were unanimously approved.**

Due to the importance of item 8 about the water supply contract, the President asked those present to deal with this item first and then continue with the Agenda. **The Assembly unanimously approved this proposal.**

### **Item 8.- Water supply contract. Measures to be taken.**

Mrs. Castronuño informed those present that the contracting process has been carried out in four phases:

**A.- Preparing Phase:** According to that approved at the last AGM, a letter was sent to Aquagest, S.A. informing them that their contract would not be automatically renewed at the expiry date in September 2007. The Board of Directors elected the members of a commission to oversee the procedures necessary for the new water contract. The members of the commission were the President Mrs. Castronuño, Mrs. Meyer-Ricks, Mr. Harboe, Mr. Bremner, and the Director General Mr. Antonio Aparicio. Our lawyer, Mr Jose Arteaga, prepared a protocol for the contracting process based on the Law 48/1998 by which the contracting processes in matters of water are regulated and through which the contents of the communal directives 93/38/cee and 92/12/cee are incorporated to the Spanish Law. This bid was published in official bulletins of Andalusia, Spain and the EU inviting companies to present their interest and participate in the bid. Nine companies showed their interest in the bid, we held a meeting with each one of them for them to introduce themselves, inform us about their company, the services given and for us to inform them of the priorities of the water contract. We prepared a list of investments that we consider necessary for repairing, improving and preventing the guarantee of the water and drainage services, as well as a complete report with the details of the service that would be used as the base for elaborating offers. We sent these documents to all the companies and arranged visits with their technicians to see the EUC installations. They were given 30 days to elaborate their offers and present them, and these offers were opened in public on 4<sup>th</sup> January and several administrators and presidents were invited. Three of the companies that were initially interested did not present any offers and therefore we had six interested companies. Acosol, Aquagest, Agua y Gestión, Aqualia, Gestagua and Urbaser.

**B.- Study phase:** In this phase, the members of the commission studied each proposal and presented their comments and conclusions based on the list of priorities prepared in the bases

of the bid. Also a comparative chart was prepared with the medium prices of each company. This had been the longest, hardest and illustrative phase of the process. One of the results of this phase is that we reached some basic conclusions regarding the possibilities each company had of getting the contract. We must also mention that, amongst many other requests, we requested them to include in their offer all the necessary investments on the water supply and drainage installations to improve the system with no additional cost to the neighbours of Calahonda.

**C.- Negotiation phase:** Based on the studies carried out in the previous phase, the water commission determined some points that needed to be clarified and negotiated with each of the proposing companies, so meetings were held with each of the companies and we requested of them new things such as investments, procedures, machinery, etc. The companies replied in writing to each of the requested clarifications and then we studied them all. It was in this part of the process where it soon became clear that three of the companies could not compete for the new contract as they were not in the situation of improving the existing water and drainage management. Therefore the water commission informed the Board of Directors of the reasons why they discarded the offers of Aqualia, Gestagua and Urbaser and continued studying the offers of Acosol, Agua y Gestión and Aquagest. The Board of Directors unanimously accepted the recommendation of the water commission and the companies were informed of the decision by letter. A summary of the advantages and disadvantages of each company were offered.

**D.- Final phase:** In this phase the water commission prepared their conclusions regarding the three remaining companies in which they considered the most important factors in order to take a decision, this is, the price, the service and the investments. We also considered the opinion of administrators who had knowledge of each company as they had direct references of the service that they gave in other urbanisations and most of all the public and private character of the companies. Before taking a final decision about this matter, we held meetings to clarify the last doubts and queries with administrators, informative meetings and with owners.

In order to inform the Assembly in more detail about the specific characteristics of each offer, and the different problems that the Board of Directors and the commission has had to endure, the Assembly unanimously approved to continue this item in a private session. At this moment Mrs. Castronuño absented herself and the Vice-president Mr. Harboe took on the presidency of the Assembly.

The Assembly was informed that the Board of Directors at its meeting of 28 March and based on the conclusions of the water commission, unanimously agreed to recommend the General Assembly to choose ACOSOL, S.A. as the best company for the water supply and drainage in the urbanisation for the following reasons: 1.- It is the company who has offered the best price. 2.- They offer the requested investments on the water and sewerage mains and those necessary for an adequate maintenance of the mains, even preparing a Director Plan for studying the infrastructures, to determine the present and future necessities of the mains. 3.- It is a public company that pertains to the Mancomunidad de Municipios of the Costa del Sol which Mijas Town Hall pertains to. 4.- They present a similar service quality as the rest of companies. Also the Board of Directors unanimously agreed that in the case of not being able to reach an agreement

for the signing of a contract with the company Acosol, the second option would be the company Agua y Gestión. The Assembly was presented with a comparative chart between the proposed company (Acosol) and the current water service, as well as a chart with price comparisons. The contents of both documents were explained in detail and after discussing the matter all the doubts were clarified. Mr. Bravo proposed approving the company recommended by the Board of Directors for them to give the water supply service to the urbanisation and authorise the President to sign the contract, proposal that was seconded by Mr. Rodríguez. **It was voted and the Assembly unanimously elected Acosol as the company in charge of managing the drinkable water and drainage and also unanimously approved the final redaction of the contract and authorised the president to sign the same.**

The Vice-President, Mr. Harboe, agreed to continue with the Agenda of the Assembly as the President was absent and asked that the Assembly go on to Item 3 and leave Item 2, the President's report, until she came back. **This proposal was unanimously accepted by the Assembly.**

### **Item 3. – a ) Auditors Report for the year 2006.**

#### **b) Appointment of Auditors for the year 2007.**

Mr. Joseph Fay of Fay & Co. commenced by reading the Auditors' Report and indicated once again that the financial situation had improved and that last year's report is entirely clean which means that it showed a completely accurate image of the accounts with no reservations on the report. All that remains outstanding is the sentence of the court case against the community Buenavista. He explained in detail the annual accounts in which the balance sheet and the income and expenditure accounts were included. All queries were clarified. With no further questions in this regard, the Vice-President asked for the vote of approval in respect of the Auditors' Report. **The Auditors' Report was unanimously approved.**

**Appointment of Auditors for the year 2007. The re-election of UHY Fay & Co. was proposed. A hand vote was taken and Fay & Co was appointed as auditors for 2007, approved unanimously.**

### **Item 4. - Approval, if warrants, of the Accounts of the year 2006, as well as of the outstanding debts at 31<sup>st</sup> December 2006. Authorisation to the President of the Entity to take legal actions against debtors.**

All the owners had received the documentation relating to the accounts for 2006. Once the accounts were explained by the Auditors and when all doubts were clarified, **the Vice-President asked for the vote approving the accounts for the 2006 financial year and the authorisation of the EUC for taking legal action against the debtors. This was unanimously approved**

### **Item 5. – Approval, if warranted, of the budget for the 2007 financial year.**

Mr. Björklund, treasurer of the EUC Sitio de Calahonda, explained the most relevant items of the proposed budget for the 2007 financial year. He pointed out that throughout the last years there has always been more expenses than the amount budgeted and that this was due to the collection of fees of previous years and extraordinary income. Nevertheless, we must bear in mind that in the future it will not be possible to depend on the collection of fees of previous years as efficiency in the collection of fees is constantly progressing. With respect to the

budget, he pointed out that the most significant item was that of the purchase of capital goods due to the necessity of purchasing a truck with a crane for the operative services. He pointed out that this vehicle, that would cost about 48.000.-€, would be financed with 50% of the budget and 50% with the reserve fund of the EUC. Then he pointed out that although the budget increase is of 6,64%, due to the increase in number of dwellings, this increase will signify an increase that will not go over a 3,7% raise to each owner. Once all doubts were clarified, **the budget for the 2007 financial year was unanimously approved.**

	2007	2006	%	Expenses 05
<b>I.- Maintenance &amp; repairs</b>				
1.1. Operative services personnel costs				
1.1.1. Salaries	198.4300,00	178.000,00	11,48%	179.042,51
1.1.2 Social security	53.500,00	50.500,00	5,94%	51.145,88
1.1.3. Others	3.000,00	2.650,00	13,21%	3.859,26
1.2. Public lighthting	21.500,00	21.500,00	0,00%	29.604,95
1.3. Gardens	11.385,00	11.000,00	3,50%	11.706,29
1.4. Painting	1.900,00	1.900,00	0,00%	1.149,89
1.5. Improvements	69.000,00	63.500,00	8,66%	115.367,53
1.6. Roads	41.000,00	41.000,00	0,00%	46.524,68
1.7. Vehicles	14.300,00	10.850,00	31,80%	20.791,40
1.8. Fire precautions	7.500,00	7.500,00	0,00%	4.369,12
1.9. Garden rubbish collect.	55.000,00	58.000,00	-5,17%	52.160,60
1.10.Cleaning of streets	2.500,00	2.500,00	0,00%	2.006,16
1.11.Others	2.000,00	2.000,00	0,00%	2.148,55
<b>Total I</b>	<b>481.015,00</b>	<b>450.900,00</b>	<b>6,68%</b>	<b>519.876,82</b>
<b>II.- Profesional services</b>	<b>48.000,00</b>	<b>49.000,00</b>	<b>-2,04%</b>	<b>43.613,93</b>
<b>III.- Security service</b>	<b>235.000,00</b>	<b>220.000,00</b>	<b>6,82%</b>	<b>212.578,31</b>
<b>IV.- Insurance</b>	<b>7.525,00</b>	<b>7.525,00</b>	<b>0,00%</b>	<b>7.377,65</b>
<b>V.- Electric light consumption</b>	<b>18.500,00</b>	<b>18.000,00</b>	<b>2,78%</b>	<b>20.204,37</b>
<b>VI.- Administration office</b>				
6.1. Personnel cost				
6.1.1. Salaries	88.095,00	84.300,00	4,50%	84.300,00
6.1.2. Social security	25.000,00	24.000,00	4,17%	23.377,28
6.1.3. Others	2.295,00	2.175,00	5,52%	2.256,43
6.2. Office expenses	12.800,00	12.800,00	0,00%	13.050,11
<b>Total VI</b>	<b>128.190,00</b>	<b>123.275,00</b>	<b>3,99%</b>	<b>122.983,82</b>
<b>VII.- Other expenses</b>				
7.1. Capital goods	28.000,00	16.500,00	69,70%	19.462,36
7.2. Director's fees	21.000,00	21.000,00	0,00%	21.000,00
7.3. General expenses	7.770,00	7.770,00	0,00%	7.980,55
7.4. Conting./Emergencies	5.000,00	5.000,00	0,00%	4.992,57
<b>Total VII</b>	<b>61.770,00</b>	<b>50.270,00</b>	<b>22,88%</b>	<b>53.435,48</b>
<b>Total euros</b>	<b>980.000,00</b>	<b>918.970,00</b>	<b>6,64%</b>	<b>980.070,38</b>

490.000€

490.000€

50% budget = ----- = 0,30€/pto.    50% budget = ----- = 76,10€/ud.

1.659.004 pts.

6439 units

At this point, the President, Mrs. Castronuño, rejoined the Assembly and informed those present that the contract with Acosol that had previously been approved, had been signed. This information was received with a big round of applause from all the Assembly.

**Item 2.- Presidents report:**

Mrs. Castronuño pointed out that her report appeared in the informative booklet previously sent out to all the owners. Therefore a period for asking questions was opened. She also thanked the members of the Board for the work they had done during this last year and the personnel of the EUC for their work and dedication towards the urbanisation.

**Item 6. - Election of Officers: President and Board of Directors 2007.**

It was reported that for the post of President there were two candidatures, on one hand, Mrs. Castronuño (current President) and Mr. Fletcher-Graham. Mr. Bustinza informed that Mr. Fletcher-Graham had manifested his decision of withdrawing his candidature, but as he was not present at the meeting and he had not presented in writing his withdrawal of his candidature, it would be necessary for there to be a vote. **The election of President was voted and Mrs. Castronuño was unanimously elected President for the next financial year.**

Then she informed that there were several candidates for the Board of Directors, including three new candidates and the remaining current members of the Board of Directors, except Mr. Rolle who had decided to retire. The Board of Directors in gratitude to the work he has carried out during the last 13 years, gave him a commemorative plaque and then he said some words and thanked all those who had collaborated with him during these years. Then the three new candidates introduced themselves to the Assembly; Mr. Bustinza, Mr. Cuevas and Mr. Jennings. After these introductions, Mrs. Estévez referred to Mr. Bustinza informing of the activities that this man has been carrying out within his community which she is a neighbour of (Alcores). Mr. Bustinza replied to these affirmations. Mr. Mclean requested that this matter should be treated in a private session, motion that was seconded by Mr. Underhill. **It was voted and the Assembly agreed by majority that the meeting should continue in a private session. Votes in favour of the private session 24,85% and against 13,43%.**

Once the meeting had started again, Mr. Brameld pointed out that the Assembly should reject the candidature of Mr. Bustinza and this proposal was seconded by Mr. Kilkelly. **It was voted on and Mr. Bustinza was rejected as a candidate to the Board of Directors, with a vote in favour of his rejection as a candidate to the Board of Directors of 31,40% and 2,43% against.**

Then Mr. Contreras, current member of the Board of Directors and candidate to the same decided to withdraw his candidature as one of the current members had to leave and this would avoid any of the members of the water commission to have to leave as he considered they should stay to adequately control transition between both water companies. Everyone thanked Mr. Contreras for his gesture. This way it was not necessary to vote and therefore the Board members for the next financial year are, Mr. Björklund, Mr. Bremner, Mr. Cuevas, Mr. Harboe, Mr. Jennings and Mrs. Meyer-Ricks.

**Item 7.- Report on urban matters that affect the urbanisation. Measures to be taken.**

There are none.

**Item 9.- Proposals from the owners in accordance with article 23.3 of the Statutes:**

Since no proposals had been made, the meeting moved on to the following Item.

**Item 10- Any other business.**

A proposal was made for the next Assembly to change some of the articles of the Statutes that refer to the candidates of the Board of Directors. It was proposed that not more than one member of the same sub-community may present themselves as a candidate to the Board of Directors and that no candidate to the Board should have debts with the EUC, neither them personally nor the sub-community they represent. Also proposed was that the time limit of three years for a member of the Board to be re-elected be eliminated.

Mr. Kilkelly, president of Las Villas in C/Golf pointed out that at the last AGM some modifications of La Siesta golf course were approved and said that some posts had been installed that negatively affected the view in the area. It was agreed to meet with him on site.

Mr. Brockbank, president of La Siesta I, explained a problem they have been suffering due to vehicles parking on Avda. de España, besides on many occasions the rubbish is not collected and also it is dangerous when driving out of the community. It was agreed to arrange an appointment at the office.

Mr. McKeown of Avda. del Cortijo informed of the problems there are due to dogs barking and asked the Board to try to take some measures to solve the problem as he has tried just about everything with the authorities.

Lastly it was informed about the lack of visibility at the entrance of C/José de Orbaneja from C/Viera due to vehicles parking on the pavement. Our technician will look at this matter to see possible solutions.

With no further items to be discussed, the President closed the meeting at 14:10 hrs. and thanked all those present, for their interest and their attendance.

Coral Castronuño de Sarachaga  
President

Jutta Meyer-Ricks  
Secretary