

MINUTES OF THE ANNUAL GENERAL ASSEMBLY OF THE E.U.C. SITIO DE CALAHONDA, HELD ON THE 27th OF MARCH 2008.

The General Assembly was held on 27 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 42,49%. 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 29 March 2007 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.**

Item 2.- Presidents report:

Mrs. Castronuño pointed out that her report appeared in the informative booklet previously sent out to all the owners and mentioned the up to date matters regarding Environment, Security, Water and sewerage, relationship with the Town Hall and infrastructures. With regard to environment she informed that the parks on Avda. De España and Parque Viviero had been improved. She also mentioned the general concern regarding the red beetle plague and the procession caterpillar. The annual fire prevention plan was also informed about. Within the matter of security, Mr. Cuevas mentioned a report on the crime situation in our urbanisation in comparison with other nearby areas. He explained the measures taken to improve the security during the past year and those needed for next year and the possibility of installing security cameras.

With regard to infrastructures, Mrs. Castronuño pointed out that for some years neighbours of our urbanisation have been requesting a solution to the chaotic traffic problem on Avda. De España and that it hasn't been until now that we have been able to offer a solution to the problem. It's a question of a project to install a central reservation and a round-about that will improve the traffic at the junction of calle José de Orbaneja, Avda. De España and Conde de Jordana. As well as improving the traffic circulation it will also improve the appearance of the same. Many meetings have been held with property owners in the area who have positively replied as they suffer all the inconveniences of the current situation, though the owners of businesses, bars, restaurants and supermarkets, do not agree with the works and will expose their reasons during the debate. She wanted to clarify that, although the Board of Directors has the power to approve these works, they will request the ratification of the Assembly of the decision taken by the Board of Directors or the power to look for other solutions as we were looking into recently with the owners of businesses in the area. She gave the word to Mr. Harboe who explained all the details of the project and pointed out that everyone should agree to improve the main entrance of our urbanisation. The area that has been studied is the part most affected by double parking, the section of Avda. De España between calle Almería and José de Orbaneja where a central reservation area will be built with plants and public lighting (the lampposts on the pedestrian pavements will be removed). He explained that this measure had been taken in other areas of the urbanisation and in nearby urban areas such as La Cala,

Fuengirola, Marbella, etc. This project does not alter the East side of the street (commercial area). That side of the street will remain as it is, with three loading and unloading areas and an ambulance area. In order to facilitate entry and exit manoeuvres some of the posts that protect the accesses and exits for vehicles to apartments blocks and houses and the pavement slopes will be adapted. There will be at least four pedestrian crossings that will interrupt the central reservation, these crossings will have posts installed to avoid cars using them. The project will also eliminate the gutter on the West side of the street (current pedestrian pavement) where drainage pipes will be installed as well as other necessary pipes for our general infrastructures (sewerage and water). The round-about, that will be on the North end of the central reservation, on the corner of Avda. De España and José de Orbaneja, will facilitate changing direction on Avda. De España and will also ease the traffic on this crossing. This round-about will also improve the appearance of the area as it will have a garden in the middle. It is worth mentioning that the esthetical impact will be considerable: a strip with plants all along the central reservation and modern lampposts with double lighting and a garden on the round-about. After this exposition, Mrs. Castronuño opened a period for asking questions and 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.

Mrs. Yousuf, representing the sub-community Cascadas pointed out her concern about the paralysation of the building works at the North area of the urbanisation and specially about the park that was going to be made. She was informed that these works have in fact stopped and that there is no sign of the works starting shortly.

The President of the sub-community Portón VII, pointed out that she was worried about a green area where the pine trees were affected by the procession caterpillar. It was explained that this area is a private plot and that we will investigate the matter so that next year they carry out the treatment.

Mr. Schwarte, President of the sub-community Campos del Mar, pointed out that the green area opposite Nueva Calahonda community was deserted after the building works. He was informed that they have planted numerous trees and are maintaining them.

Mr. Heikkinen, President of Antares II, asked for clarification regarding the competences of the security guards and their authority, Mr. Cuevas explained this to him.

Mr. Chaminade, President of Monteparaíso, asked when the water company was going to paint the deposits. He was informed that they have already started the painting works, having started on the deposit at the EUC office.

Mrs. Hornett, representing Villas Granada, pointed out that the construction of a central reservation would make it difficult to get onto Avda. De España. She was informed that this matter had been seen by the technicians and that the pavement would be reduced on that angle.

Mr. Brockbank, President of La Siesta I, pointed out that it was very difficult driving out of his sub-community due to the cars parked next to their exit. He also mentioned that cars park in front of the rubbish containers and on many occasions these can't be collected.

Mr. Vázquez, representing the sub-community Buenavista and as an owner of premises in this sub-community mentioned several problems that the central reservation would

cause such as the passing of fire brigades, sweeping machine, taxi stops, ambulances,... He also said that these businesses are a public service and that this decision could provoke serious financial damage to the same. He stated that he was against this central reservation as it has been foreseen, as he considers there isn't enough space and that a better alternative should be studied or improve the current project by offering more parking spaces and a larger width of the road. He was indicated that the same situation of taxis, ambulances, fire brigades, etc. already exist in many other areas and are no serious problem, also, Avda. De España has many side streets that can be used as alternative traffic routes and that the technicians will study the best solution for the central reservation.

Mr. Macías, owner of the mini-market on Avda. De España, pointed out that this project could be beneficial for many, but inauspicious for the businesses in the area and informed the Board that he would oppose to this project, considering also that this project does not fulfil the urban by-laws and would be willing to go to Court.

Mr. Arteaga pointed out that the Board is only asking the Assembly for approval to carry out a reformation of Avda. De España by building a central reservation, should this be approved, and that it will have to have all the necessary authorisations to fulfil the current by-laws.

Mr. Singh, owner of premises on Avda. De España, congratulated the Board for this project to improve Avda. De España, nevertheless he mentioned that some of the dwellings will have difficulties getting onto the street and proposed the possibility of having a security guard on a permanent basis to avoid double parking. He was informed that the technicians have already studied the exit of vehicles onto Avda. De España and that a security guard, as well as being very expensive, does not have such authority.

Mr. Mclean, president of Jardín Inglés, pointed out that this matter has been discussed for many years as Avda. De España is very narrow and mentioned the possibility of making it a one-way road and pointed out that this matter should be discussed in an extraordinary meeting.

Mrs. Castronuño said that the Board itself had the power to take the decision of building a central reservation, but due to the importance of the matter had decided to inform the Assembly for it to be ratified. Only if the project was going to change in a significant way and if the Board of Directors considered it necessary, they could see the possibility of having an extraordinary meeting and she also pointed out that making Avda. De España a one-way road would not improve the problem but make it worse.

Mr. Taylor, president of Cortijos, congratulated the members of the Board for this project and supports it. Mr. Chaminade, President of Monteparaíso, and Mr. Collier, President of Las Brisas, were also in favour of this project as they consider that it is necessary to solve the chaos on Avda. De España. Mr. Collier asked for the approval of the Assembly to this project.

Mr. Bravo, representing several sub-communities, said that it is necessary to do something to improve this main entrance street and requested ratifying the project presented and if necessary, carry out some improvements. It is important to consider the nearly 7000 properties that will benefit in our urbanisation by these works.

Mrs. Hidalgo, representing Club Marbella, pointed out that she agreed with improving the street, but that it was necessary to listen to those affected to try to solve their problems.

Mrs. Castronuño, after listening to the Assembly's comments, informed that the works wouldn't begin until after summer and that all the inconveniences will be studied in detail, that we will find solutions to the problems and listen to those affected, all the necessary licences and permits will be achieved, but prior to all this she asked for the Assembly **to ratify the reformation project of Avda. De España by building a central reservation, a round-about and other annex works. It was voted with a result of 38,84 points in favour (91,41% of**

those present), 2,68 points against (6,31% of those present) and 0,67 points abstention (1,58% of those present).

Item 3. – a) Auditors Report for the year 2007.

b) Appointment of Auditors for the year 2008.

Mr. Bernard Fay of UHF 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. He informed that we had knowledge of the final outcome of the court case against Buenavista community, having obtained a favourable sentence for the E.U.C. With regard to this sentence, Mr. Arteaga pointed out that the Supreme Court confirmed that community fees may be charged through sub-communities, that the EUC is a continuity of the community and that all the owners must pay for the services supplied by the EUC within the urbanisation. All queries were clarified. With no further questions in this regard, the 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 2008. The re-election of UHF Fay & Co. was proposed. A hand vote was taken and UHF Fay & Co was appointed as auditors for 2008, approved unanimously.**

Item 4. - Approval, if warrants, of the Accounts of the year 2007, as well as of the outstanding debts at 31st December 2007. 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 2007. Once the accounts were explained by the Auditors and when all doubts were clarified, **the President asked for the vote approving the accounts for the 2007 financial year and the authorisation to the President of the EUC for taking legal action against the debtors. This was unanimously approved.**

Item 5. – Approval, if warranted, of the budget for the 2008 financial year.

Mr. Björklund, treasurer of the EUC Sitio de Calahonda, explained the most relevant items of the proposed budget for the 2008 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. Mr. Björklund mentioned that, from his point of view, it would be necessary to increase the budget to the real necessities of the urbanisation and that we can not continue depending on the previous years or extraordinary income to carry out improvement works. With respect to the budget, he pointed out that the most significant item was that of the increase in security, due to the increase in vigilance hours in the urbanisation. Then he pointed out that although the budget increase is of 7,14%, due to the increase in number of dwellings, this increase will signify an increase that will not go over a 5% raise to each owner. Once all doubts were clarified, **the budget for the 2008 financial year was unanimously approved. The budget for the 2008 financial year is the following:**

	2008	2007	%	Expenses 07
I.- Maintenance & repairs				
1.1. Operative services personnel costs	266.400,00	254.930,00	4,50%	264.604,29
1.2. Public lighthting	20.000,00	21.500,00	-6,98%	22.725,60
1.3. Gardens	15.300,00	11.385,00	34,39%	21.729,49
1.4. Painting	1.900,00	1.900,00	0,00%	1.097,54
1.5. Improvements	69.000,00	69.000,00	0,00%	113.463,02
1.6. Roads	37.000,00	41.000,00	-9,76%	17.925,43
1.7. Vehicles	14.500,00	14.300,00	1,40%	17.939,16
1.8. Fire precautions	8.000,00	7.500,00	6,67%	7.596,67
1.9. Garden rubbish collect.	55.000,00	55.000,00	0,00%	54.708,90
1.10.Cleaning of streets	2.500,00	2.500,00	0,00%	3.036,87
1.11.Others	2.000,00	2.000,00	0,00%	2.176,74
Total I	491.600,00	481.015,00	2,20%	527.003,71
II.- Profesional services	49.800,00	48.000,00	3,75%	50.292,10
III.- Security service	299.000,00	235.000,00	27,23%	233.666,54
IV.- Insurance	7.800,00	7.525,00	3,65%	7.776,62
V.- Electric light consumption	21.000,00	18.500,00	13,51%	20.193,60
VI.- Administration office				
6.1. Personnel cost	119.600,00	115.390,00	3,65%	115.083,42
6.2. Office expenses	12.800,00	12.800,00	0,00%	13.238,60
Total VI	132.400,00	128.190,00	3,18,%	128.322,02
VII.- Other expenses				
7.1. Capital goods	14.700,00	28.000,00	-47,50%	56.027,72
7.2. Director's fees	21.000,00	21.000,00	0,00%	21.000,00
7.3. General expenses	7.700,00	7.770,00	-0,90%	7.802,29
7.4. Conting./Emergencies	5.000,00	5.000,00	0,00%	13.510,14
Total VII	48.400,00	61.770,00	-21,64%	98.340,15
Total euros	1.050.000,00	980.000,00	7,14%	1.065.594,74

525.000€
50% budget = ----- = 0,3165€/pto.
1.659.004 pts.

525.000€
50% budget = ----- = 78,48€/ud.
6690 units

Item 6.- Modification of Statutes.

Mrs. Castronuño reminded everyone that at the Assembly last year she proposed a change in the statutes regarding the election of members of the Board of Directors, these changes have been approved by the Board of Directors with Mr. Jennings' vote against and have been sent together with the summons documents to the Assembly for everyone to study. The Assembly is the supreme body responsible for the EUC, it is here where these type of changes and their enforcement are decided. She considers that the restriction of time established should not be imposed to people who are very valid at certain times when forming part of an ongoing project. Last year we had a good example of how the Assembly can decide as the supreme body who they want to be part of the Board of Directors and who not, therefore the fear of some that the posts will be everlasting should disappear, it will always be the owners who decide who they want to carry out the governing tasks of our urbanisation. Mrs. Castronuño, as the person who brought forward the proposal last year and as a member of the Board of

Directors who approved the proposal by majority and has assumed it as their own, asked for the favourable vote to the proposal and its immediate application.

Mr. Rolle, owner in Cielos de Calahonda, did not totally agree with this proposal of the Board, specifically with point 32.2 of the statutes and proposed that, instead of the Board's proposal, to approve the following: "one third of the members of the Board, not including the President, who have completed their three years service, should stand down if there are sufficient able candidates to replace them. After their period of one year rest any former member of the Board may re-apply for a position on a new Board". Mr. Bremner pointed out that he agreed with the entry of new members to the Board, but understood that these should be voted and not enter automatically thanks to the current restriction on the statutes. He also pointed out that Mr. Rolle's proposal could not be voted as it is a new proposal and should have been presented more than 45 days prior to the meeting as stated in the statutes.

Mr. Arteaga pointed out that a proposal can be modified from the base, but something completely different cannot be discussed if it hasn't been presented according to the statutes, it's just a matter of formalities and therefore Mr. Rolle can present his proposal for the next meeting. After discussing this matter Mr. Rolle presented his proposal for the following meeting and is stated so in these minutes.

Mr. Taylor, president of Cortijos thinks that it is important that new people enter the Board and that modifying this article it would be difficult getting on the Board. Mrs. Castronuño clarified that although this article is changed, it is always the Assembly who will vote the candidates and not the Board who will vote.

Mr. Cuevas pointed out that it is democratic that all owners who wish to may present themselves and therefore he had to disagree with the current redaction of this article as it impedes members of the Board who are very valid for the EUC to continue presenting themselves and also can allow other non desirable people to get on the Board without the Assembly voting them because they would enter automatically. He considers that the current redaction of the statutes could be very dangerous for the future of the EUC.

Mr. Jennings says that the current system works and that he doesn't think a change of statutes is necessary and also gives the opportunity for new people to enter. He thinks that being a long time on the Board can provoke lack of integrity and honesty. He is also against one same person having several votes in representation of others.

Mrs. Castronuño showed her disapproval to Mr. Jennings' statement regarding the integrity and honesty of the Board members. Then Mr. Jennings clarified his previous comment.

After discussing the matter Mrs. Castronuño asked for the vote on this point. The modification of the statutes was voted with the following result: In favour 26,95 points (81,57% of those present), against 4,15 points (12,56% of those present), abstentions 1,94 points (5,87% of those present). Therefore the modification of this article of the statutes, with the formalities stated on article 29.2 of the statutes, are approved and result as follows:

"Article 32.- Election of the President and Directors

1.- The President and Directors of the CUE SITIO DE CALAHONDA will be elected each year at the Annual General Assembly of the Entity.

However, Mijas Town Council will be entitled to appoint one representative as observer on the Board of Directors, with the right to speak but not to vote. The representative appointed by the Town Hall need not be a member of the Entity and will not be considered as a member of the Board of Directors in regard to the number of members to be elected for such body and he will not have the rights contained in article 44.

2.- Any candidate standing for election as President or Director must be proposed by another member of the C.U.E. Sitio de Calahonda and seconded by another one and all nominations must be presented in the Entity Office at least fourteen days before the date of the meeting.

3.- Members of the Board of Directors can be re-elected.

4.- Two or more people of the same subcommunity cannot be elected as members of the Board of Directors. In case that more than one candidate of the same subcommunity stand for election with the requirements of paragraph 2 hereinabove, only the candidate receiving a higher number of votes at the Assembly may be elected.

5.- The candidates standing for the position of President or Director who are not up to date with the payment of debts to the entity at the moment of opening the Assembly and who have not judicially contested the same or proceeded to deposit judicially or before a notary the total debt or who have not signed an agreement with the entity to settle the debt, cannot be elected as members of the Board.

Same restriction will apply to those candidates whose sub-communities are not, at the moment of opening the Assembly, up to date with the payment of debts to the entity in the terms mentioned under the previous paragraph.”

Item 7. - Election of Officers: President and Board of Directors 2008.

It was reported that for the post of President there was only one candidate, Mrs. Castronuño (current President). **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 two new candidates and the remaining current Board members. Then the new candidates introduced themselves to the Assembly; Mr. Taylor, President of Cortijos de Calahonda and Mr. Contreras, former member of the Board. Then it was voted with the following result: Mr. Björklund 25,10%, Mr. Bremner 24,40%, Mr. Contreras 22,38%, Mr. Cuevas 24,43%, Mr. Harboe 24,19%, Mr. Jennings 4,9%, Mrs. Meyer-Ricks 18,35% and Mr. Taylor 5,6%. In this way the new members of the Board of Directors are: Mr. Björklund, Mr. Bremner, Mr. Contreras, Mr. Cuevas, Mr. Harboe, and Mrs. Meyer-Ricks. Mrs. Castronuño thanked Mr. Jennings for the work he had done whilst on the Board of Directors and welcomed the new member.

Item 8.- WIFI service proposal and La Siesta Golf Club proposal. Measures to be taken.

Mr. Björklund, person responsible on the Board of Directors for this matter, explained in detail the proposal presented by the company Y-Internet, who offers a wireless connection to

Internet within the urbanisation on a pay as you use basis, this way, many residents and visitors who don't have a landline can have access to Internet. The relationship between this company and the E.U.C. is only to authorise the installation of 4 access points on common areas of the E.U.C. (water deposits). Mr. Björklund explained that an agreement has been reached with this company in which all the requirements of the E.U.C. are stated. After discussing the matter and clarifying that the access points can only be installed on common areas of the E.U.C. and that there is no exclusivity, Mrs. Castronuño asked for the vote on this matter. It was voted and the proposal was unanimously approved.

Then Mrs. Castronuño informed that the Board of Directors, after the consultation made by several owners at the previous AGM, studied the modification carried out in the practise range. In deed, they hadn't changed the shooting direction as approved by the Assembly. This Assembly agreement authorised the Board of Directors to approve modifications to the project, therefore and considering it was a benefit for our urbanisation, the Board agreed to keep the installations in their present state. Mrs. Castronuño gave the word to Mr. Bremner in order to record the annoyance of the owners of Calahonda for the golf's club performance in this matter: "The Board of Directors believes that in having changed the driving range to its current appearance and failing to discuss these changes, conflicts with what was agreed at the AGM held on the 30 of March 2006 and that the president of this Club, Mr. Alvaro Mata, has shown disrespect to the Annual Assembly and a lack of respect towards the President, the Board and the Assembly."

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.

There are none.

With no further items to be discussed, the President closed the meeting at 16:00 hrs. and thanked all those present, for their interest and their attendance.

Coral Castronuño de Sarachaga
President

Jutta Meyer-Ricks
Secretary