

**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 4 December 2014. 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 220 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 132 weeks (“co-ownership shares”) by way of proxies granted for such purpose, represented during the meeting by Ms. María Martínez.
- **Mr. Anders Wallestedt** representing owners holding 56 weeks (“co-ownership shares”) by way of proxies granted for such purpose.
- **Mr. Nils Fredrik Braathen** representing owners holding 24 weeks (“co-ownership shares”) by way of proxies granted for such purpose.
- **Mr. Holger Piepgrass** representing owners holding 30 weeks (“co-ownership shares”) by way of proxies granted for such purpose.
- **Ms. Solfrid Alme** representing owners holding 8 weeks (“co-ownership shares”) including her weeks and the one persons she represents by way of proxies granted for such purpose.
- **26 Owners** attend in person to the meeting, representing 57 votes. They are British, 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 6 December 2013.

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 Esplá
4. Ilona Kievits (for the minutes)
5. Tilda Persson (for the translation into Swedish)

Language of the meeting

In accordance with past practices, since the majority of the owners attending this meeting speak English, it is agreed that the meeting will be held in English. Short summaries of the issues discussed will be made in German, Swedish if needed.

The General Assembly was called by means of a letter sent by the Administrator of the Owners Association, as established in the by-laws of the Owners Association.

Being present or represented owners holding a total number of 527 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 2014
3. Report from the Administrator Holiday Club Canarias Resorts Management S.L. on the status of the WIFI
4. Status of the reparation and renovation fund and of the uses given to the fund
5. Report of the Services Company on the Statement of Income and Expenditure of the Owners' Association for 2013
6. Report of the external auditor of the Statement of Income and Expenditure of the Owners' Association for 2013
7. 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 2015. Prorogation of the 2011 resolution
8. Report on the collection efforts of the maintenance fees carried out by the Administrator
9. Presentation of the budget submitted by the services company Holiday Club Canarias Resort Management S.L. for rendering services to the resort and the unit owners for year 2015 and its approval, as the case may be

10. Presentation of the planning report prepared by the architect Mr. José Luis Rivero Comas for being included in a planning agreement to be signed with the competent public administrations, and approval of the report as the case may be
11. Granting of specific powers of attorney by the Owners Association to the Chairman for the signing and execution of the planning agreement mentioned in the previous item of the Agenda, authorisation also any subsequent amendments that may be required to the agreement within the proceedings
12. Additional points of the Agenda included following a request from Mr. Lennart Karlsson:
  - 1.1 Enclosing Documents in the Calling of the General Assemblies
  - 1.2 Fixed Item on the agenda for Motions/ Questions from the Owners
13. Appointment and/or renewal as appropriate, of the Chairman of the Owners' Association
14. Appointment and/or renewal as appropriate, of the Vice-chairman of the Owners' Association
15. Appointment and/or renewal as appropriate, of the Secretary of the Owners' Association
16. 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 5<sup>th</sup> December 2013 were drafted according to the law and the authorization granted by the owners and approved by the Chairman and Secretary. The Chairman informs that the minutes were uploaded into the webpage [www.hccanarias.com](http://www.hccanarias.com)

A debate started with regards to the availability of the minutes in the different languages. Mr. Lucock mentions that in the previous Owners Association meetings it was approved to issue the minutes in the English language only, as the cost impact for the Owners Association would be considerable, as minutes would need legal translation in all the languages, as this cannot be done in-house. The use of, for example, Google Translator is explained as the text can be easily copied from the document placed at the [www.hccanarias.com](http://www.hccanarias.com) web site.

The Chairman states that the Minutes were prepared duly 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 2014**

The Chairman updates on the developments of year 2014.

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. The Chairman explains to the attendees that the web page with information and supporting documents for the meeting has been revamped, and it is shown in the screen so that attendees get familiar with it. All the materials for the meeting have been included in the web page, including the calling of the meeting. The Services Company is committed to keep on improving the web page year after year. It is the intention to build a proper communication channel with the owners through that webpage. Suggestions have been received as regards posting news on the resort in internet and it is being considered to use the web page also for these purposes.

The Chairman also informs on developments within European Timeshare sector and provides information that has been agreed within the Resort Development Organisation ("RDO") which he considers relevant to share:

- (a) During the course of last year allowing consumers a viable exit from their timeshare has become a hot topic of conversation throughout most major countries. The industry trade body RDO has passed several resolutions whereby its members must allow exit in the following conditions: death of one or both of the owners, bankruptcy of one or both of the owners, and in the event of illness to one or both of the owners whereby they cannot travel to their home resort. In all cases this must be supported by official documentation. Furthermore the RDO has taken this one-step further and it is currently studying a proposal whereby should an owner been a member of the resort for an as yet unspecified period of time, subject to an advanced payment of a maximum of three times the amount o the current years maintenance fee, they are allow to surrender ownership.
- (b) There has been a wave of publicity by a alleged fraudulent companies targeting strongly timeshare owners where false promises are being made, creating a belief that either a successful purchaser is lined up for the timeshare or by commencing legal action against the developer they will receive monies equivalent to or greater to their original purchase.  
In both of the above cases the Chairman urges all members to exercise extreme caution when and if they are approached, and under none circumstances pass any information or financial contribution to any companies they are not completely sure of.  
The Chairman also informs all members of the following websites to provide reliable sources of independent information: [www.tatoc.co.uk](http://www.tatoc.co.uk); [www.rdo.org](http://www.rdo.org); [www.mindtimeshare.com](http://www.mindtimeshare.com); or any of the respective European Consumer Centres ([http://ec.europa.eu/consumers/ecc/contact\\_en.htm](http://ec.europa.eu/consumers/ecc/contact_en.htm)).  
In all cases the customer service department at Holiday Club will assist the owners with any and all questions. Mr. Lucock requests the owners attending with proxies on behalf of other owners, to share this information on fraudulent practices with the owners that granted them the proxies.
- (c) Until December 2014 the expenses incurred in by Services Company during 2014 are in line with the budget.

The report by the Chairman is acknowledged by the attendees [without any further comments. The Chairman welcomes these questions and he further makes reference to the questions submitted by some owners in writing before the meeting and confirms that they will be answered in the questions and answer section at the end of the meeting and also time will be allocated for further questions. All owners are in agreement with this.

### **3. Report from the Administrator Holiday Club Canarias Resorts Management S.L. on the status of the WIFI**

Following on from the demand and necessity highlighted in last year meeting, the Chairman is pleased to inform all attendees that WIFI installations are almost complete. Since there was an increasing request from owners, and in order to avoid owners waiting for another year, the Services Company decided to go ahead with the investment and bear the related costs. Due to the configuration of the resort and the building, WIFI access required the installation of certain devices in order to be able to send the signal all over the building and the apartments. No internet supplier was ready to cover or finance that investment. In the 2015 budget proposal a provision is already made to cover this investment, and if the budget is approved, the relevant investment amount for that pre-installation will be reimbursed to the Services Company out of the proceeds of the maintenance fees. In this event WIFI will be available in each and every apartment at no extra cost. Ongoing charges for the internet supplier and line rentals will be built automatically into future maintenance fees.

If the budget and/or the extra cost for the investment are not approved, the Services Company will offer WIFI access to clients subject to the payment of the relevant charges to be set by the Services Company. In this case the 2015 budget proposal would be accordingly reduced by the relevant amount.

The Chairman states that he has met many clients during the last months and in most of the cases they demanded that WIFI services are offered throughout the resort. In modern world, many persons consider Internet access as a basic necessity. A debate on the issue starts. Some owners understand that WIFI should be installed but that it should be paid only by those customers using it. Some other owners appreciate the explanation and confirm that they are interested in having WIFI services included in the maintenance fees.

The Chairman appreciates those views and requests that the issue is subject to voting. However since this will impact the decision on the budget and accordingly the fees, it is proposed to take a vote on that together with the budget. All attendees agree to this suggestion.

#### **4. Status of the reparation and renovation fund and of the uses given to the fund**

Mr. Roberto Picón explains the situation of the funds. As of 31 December 2013 the available funds in the bank account for the renovation fund were 12,575.52 Euros. As per 2014 budget, the total contribution for the renovation fund was agreed to be € 18,662.40. In accordance with the authorisation granted in last year meeting, the Services Company has used all the available proceeds in order to cover investments, and since the investments were a bit higher than the available amounts, the Services Company has advanced the required sum. An amount of 33,695.87 Euros has been invested so far in following concepts: (a) 33 units of wooden TV display and drawer; (b) 33 flat 40" screen TV (c) 33 HDMI cables and hooks; and (d) 15 DVD players (e) 1 Refrigerator. Mr. Picón shows in the screen a report detailing the concepts, and the related invoices and amounts. The amount financed by the Services Company is 2,457.95 Euros and this amount will be balanced from the renovation fund for 2015.

Mr. Picón shows in the screen a report detailing the concepts, and the related invoices and amounts.

Accordingly, as of 31 December 2014 the renovation fund will be depleted.

Mr. Braathen indicated his wish to include the breakdown of the reparation fund to be included in the minutes, and it was confirmed that a copy will be available at [www.hccanarias.com](http://www.hccanarias.com).

Due to various questions raised by owners during the course of the year with regards to the replacement of the terrace furniture, Mr. Lucock clarified that the terrace furniture will be replaced in the future with ones of similar quality.

The Chairman requests that the authorisation in favour of the Administrator to use the funds if necessary for renovation works granted last year, is renewed for 2015 or future years, acknowledging that a full report will always be provided to the Owners Association.

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 2015 in order to devote the funds to any reparation or renovation purposes.

## **5. Report of the Services Company on the Statement of Income and Expenditure of the Owners' Association for 2013**

The Chairman explains to the owners that a Statement of Income and Expenditure for the whole year 2013 has been prepared. Mr. Roberto Picón explains the Statement and the total amount of actual expenses incurred in that period. For comparison purposes the 2013 budget, approved in December 2012, has been used. The Statement of Income and Expenditure is shown in the screen. The main conclusions are as follows:

- (a) The 2013 budget forecasted a total amount of expenses for 2013 of 737,554.95 Euros.
- (b) The actual level of expenses to third parties amounted to 722,884.91 Euros.
- (c) The actual level of collected maintenance fees in 2013 amounted to 688,663.15 Euros.
- (d) Holiday Club Canarias Sales & Marketing S.L.U. contributed with 11,799,18 Euros by way of income out of the payment of outstanding maintenance fees linked to repossessed weeks.
- (e) The amount of uncollected maintenance fees of 2013 was 34,016.80 Euros.
- (f) As a result of the unpaid maintenance fees, there has been a deficit of 22,422.58 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.

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

- ⇒ The Statement of Income and Expenditure of 2013 is acknowledged and approved.
- ⇒ The management and the services carried out by the Services Company in 2013 are also approved.

## **6. Report of the external auditor of the Statement of Income and Expenditure of the Owners' Association for 2013**

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 2013. 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 2013
- (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 costs of the auditor have been considered as part of the costs of the Owners Association.

**7. 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 2015. Prorogation of the 2011 resolution**

The Chairman asks Ms. María Martínez to explain the measures carried out during 2014 for repossessing the weeks of owners in default in the payment of maintenance fees. Ms. María Martínez shows in the screen a report on the reposessions during 2014.

Ms. María Martínez informs that in the previous meeting in December 2013 it was forecasted that Holiday Club Canarias Sales & Marketing S.L.U. would repossess 10 weeks in 2014. The number of reposessions is in line with the estimate. The positive impact of this in the Statement of Income and Expenditure of 2014 represents an additional sum of 4,250 Euros that will be accounted as "Extraordinary income", in line with the resolution passed in December 2013.

The Chairman requests that previous resolutions acknowledging reposessions by Holiday Club Canarias Sales & Marketing S.L.U. against the payment of current year maintenance fees are renewed, as readiness by Holiday Club Canarias Sales & Marketing S.L.U. to continue repossessing is strictly subject to this condition. It is then stated that if this is accepted, Holiday Club Canarias Sales & Marketing S.L.U.'s forecast for year 2015 is to repossess up to 5 weeks. This will have a positive impact in the accounts for 2015, 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. The Chairman requests that the 2013 resolution is extended for the future.

A debate is held on this issue. 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 in the future 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 outstanding maintenance fee budgeted for the year when the repossession takes place. Upon repossession of weeks Holiday Club Canarias Sales & Marketing S.L. shall not have to pay any outstanding maintenance fees above the budgeted amounts for the relevant year. Any amounts so received will be considered as "Extraordinary income".

#### **8. 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. The Services Company has continued with the structured program for contacting all defaulting clients and requesting payment from them. This has continued to be successful and many customers have voluntarily agreed to pay their maintenance fees.
2. If telephone conversations and emails contacts have not led 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.
4. The delinquency rate in 2014 is at 4.71% which is practically the same as in 2013.

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.

#### **9. Presentation of the budget submitted by the services company Holiday Club Canarias Resort Management S.L.U. for rendering services to the resort and the unit owners for year 2015 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 2015. The budget includes a grand total of 851,417.83 Euros. 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 2015 pursuant to the standards based on which have been prepared for the corresponding budgets.

He states that 49,226.56 Euros are forecasted as the ordinary provision for the reparation and renovation fund. It shall be noted that it has been necessary to increase this amount by more than double, since as a consequence of the investments carried out in 2014, the reparation and renovation fund was exhausted. Furthermore, the intention is to continue with the upgrading of the units during 2015 and that is the reason why the provision has been set at that amount. It is planned to devote said amount to cover the WIFI investment detailed in item 3 of the Agenda, should it be approved by the owners, and new sun beds.

The reparation and renovation fund will be used for extraordinary expenditure, as the maintenance fee covers the maintaining of the resort and normal repairs.

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).

Certain questions are raised and answered on the specific amounts of certain positions in the budget, questions that are answered during the meeting.

Upon the comment of an owner that the budget that is placed on [www.hccanarias.com](http://www.hccanarias.com) is too small to read, Mr. Lucock agrees that separate budget per each of the four languages (Spanish, English, German and Scandinavian) will be available next year, to minimize the columns at the spreadsheet.

Upon Mr. Braathen's request for a breakdown of the "other costs", Mr. Picón confirms this will be included in the budget for next year.

The Chairman finally asks whether the attendees have any objection to the budget.

First a cast of votes as regards access to WIFI takes place and whether WIFI access should be included in budget as a fix cost. It is communicated that the owners should take position on this issue and that neither Holiday Club Canarias Sales & Marketing S.L. nor the Services Company intend to influence it. Holiday Club Canarias Sales & Marketing S.L. will not participate in the voting. Since Holiday Club Canarias Resort Management S.L. has received powers to represent owners, it will do so, but voting with the majority. As stated above, the installation cost of WIFI shall be a one-off payment to be included in the maintenance fee of 2015, which amounts to 12.21 Euros per average week. Future years will only include the cost for rental and maintenance of the lines, which will be a much lower cost.

A show of hands between the attendees takes place and the outcome is as follows:

Votes against: Mr.& Mrs. Davies with 2 weeks, Mr.& Mrs Nursing with 3 weeks, Mr.& Mrs. Stow with 7 weeks, and Mr. Alexander with 8 weeks.

Votes in favour: all the rest of the owners present.

The outcome is 155 votes in favour and 20 against.

Therefore following motion is approved:

⇒ The motion for including the WIFI access in the budget is therefore accepted.

Once that the previous resolution has been passed, the Chairman requests a cast of votes to decide on the budget. The Chairman asks whether there is anyone against the budget or wants to abstain. All owners show their conformity with the budget and therefore 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 2015;
  - Non payment of the maintenance fees on time will trigger a penalty as per the by-laws of the Owners Association.
- 10. Presentation of the planning report prepared by the architect Mr. José Luis Rivero Comas for being included in a planning agreement to be signed with the competent public administrations, and approval of the report as the case may be**

The Secretary takes the floor and explains that the Canarian Government enacted a law for promoting the updating of tourism resorts. The Act is called "Ley 2/2013 de Renovación y Modernización Turística de Canarias". This Act requires that the hotel resorts and hotel-apartment resorts are maintained in good status in order to (i) safeguard the quality and the image of the Canary Islands as a tourist destination; and (ii) improve the environmental friendly policies including a higher energetic efficiency.

The Services Company purports to comply with said law and the related requirements. This will materialize through the execution of planning agreements with the Town Council of Mogán, including reports on steps to be taken as regards maintenance policies and actions and the improvement of the energetic efficiency.

As part of the preparation of that planning agreement the Services Company has hired an architect at its own expense in order to draft a technical project that will describe the improvements in the maintenance policies and in energetic efficiencies. This report contemplates specific measures recommend by the architect to be implemented in the resort in order to comply with the law. The intention is to enter into a planning agreement with the Town Council attaching that report that lists the measures that will be implemented. The planning agreement will sanction those measures.

The report is shown in the screen and the Chairman briefly takes the attendees through it. The report is further more available to all owners.

The Chairman asks whether the attendees have any question on the Act, the required measures and the report. No owner raises any objection or concern, and all owners show their conformity with the steps taken so far.

- 11. Grating of specific powers of attorney by the Owners Association to the Chairman for the signing and execution of the planning agreement mentioned in the previous item of the Agenda, authorisation also any subsequent amendments that may be required to the agreement within the proceedings**

Following the previous item of the Agenda, the Chairman requests the owners to grant him and the Vice-chairman, powers to sign the planning agreement with the Town Council and/or any other administration or governmental authority in order to implement Act 2/2013. The Chairman confirms that all related costs to these steps (including external consultants) and to the negotiation will be borne by the Services Company at its own cost.

A voting takes place and the motion is unanimously accepted. Therefore the following resolution is unanimously passed:

- The Owners Association grants powers of attorney to the Chairman Mr. Calvin Lucock and to the Vice-Chairman Mr. Roberto Picón, so that any other, acting on their own and on behalf of the Owners Association may enter into and execute the relevant planning agreement with the Town Council of Mogán and/or any other administration or governmental authority, in order to implement Act 2/2013. For such purposes, powers are granted to (i) appear before the relevant Spanish Administrative Authorities and make declarations and sign all necessary documents and to do whatever is necessary or appropriate in connection with the powers granted; (ii) arrange and sign all types of whatever public and private documents are required to exercise the powers conferred, to ratify, amend, extend or renew said documents, to rescind or cancel them; (iii) delegate all or any of the powers contained in this document in favour of any other attorney, and to withdraw any such delegation as he shall deem appropriate, to which effect the attorney may execute any private or public documents required.

**12. Additional points of the Agenda included following a request from Mr. Lennart Karlsson:**

**1.1 Enclosing Documents in the Calling of the General Assemblies**

**1.2 Fixed Item on the agenda for Motions/ Questions from the Owners**

The Services Company received a request from Mr. Karlsson to include this item in the agenda of the meeting and it was accordingly included. The Chairman would have liked Mr. Karlsson to explain his proposals to the owners. Unfortunately Mr. Karlsson is not present so that it is not possible. Mr. Karlsson has sent however a written explanation of the proposals and the Chairman addresses them.

**Point 1.1**

The Chairman understands that Mr. Karlsson would like that the written callings include all relevant documents for the meeting. The Services Company has carried out since 2011 an effort to provide all required documents for the meetings in order to enhance the information delivered to owners. However previous resolutions were passed requesting the information being available by internet. All relevant documentation is available at [www.hccanarias.com](http://www.hccanarias.com). Mr. Karlsson's request goes against said previous resolutions and would imply an increase in costs.

All attendees are in agreement with the Chairman and no one of the attendees endorses the motion.

**Point 1.2**

Regarding the second item, the Chairman confirms that this is already the case and all callings include a last item in the agenda allowing owners to raise questions, and it has been his firm policy since 2011 to prolong the meeting as long as necessary to answer all questions whether they belong at meeting of the Owners Association or not.

**13. 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.

#### **14. 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 2014, which is confirmed by all attendees.

#### **15. 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 2014, which is confirmed by all attendees.

#### **16. Questions and answers**

The Chairman introduces the questions and motions raised by owners that have been sent in writing to the Administrator before this meeting. Ms. María Martínez explains to the owners the different questions posed and proposals arose:

- (1) Mr. Torbjørn Aakre has sent the following questions to the Services Company, although he attends the meeting in person.

*Question: On every arrival to Holiday Club Playa Amadores where a sales/contact person meet with us in the apartments the day after, seems to be none beneficial to the owners. Are the owners paying for this service? As it is now, there is a good functioning reception on Playa Amadores to handle normal problems.*

Answer: The Chairman answers that obviously that is not a cost for the owners.

*Question: WiFi project should come to reality. What is the status now?*

Answer: The Chairman understand that this issue has already been solved.

*Question: Change the Holiday Club week planner to the normal week calendar. Its a confusion to plan ahead when to deal with this "miss match"*

Answer: The Chairman answers that the calendar is standardised throughout the industry, and it is necessary to have the same calendar as in any other resort; otherwise exchanges are not possible.

*Question: Are the rent for week 53 (in the year its present) going into the maintenance budget or what is happening to the funds here (since there is no owner to week 53)?*

Answer: it is correct that every four years there is one additional week. This additional week is normally offered to the owners that own weeks 52 and 1, since there is a large number of owners that own those two weeks (Christmas and New Year). Some of them rent the 53 week and some of them move one of their weeks in order to enjoy the two weeks in a row.

(2) Mr. Karlsson, acting as a representative of OPCA Sweden, has sent to the Services Company an email with certain questions and comments that have already been answered to his satisfaction. However for the purposes of disclosure to all owners, the answers given are included below.

- *Question: How many weeks did Holiday Club Canarias Sales and Marketing S. L.U. rent or sell in „trial packages“ (three years package) in the year 2013 in the resorts of: a. Puerto Calma b. Vista Amadores c. Jardin Amadores d. Sol Amadores e. Playa Amadores*

Answer: Holiday Club Canarias Sales and Marketing S.L. does not sell trial packages for specific resorts, we sell accommodation to be used across all our resorts and In many cases this includes Finland Sweden and other RCI, resorts, This is the business of the sales and marketing company and has no relevance whatsoever to the owners associations, Trial packages are accommodated In weeks owned by the sales and marketing companies.

- *Question: For how many weeks did Holiday Club Canarias Sales and Marketing pay maintenance fee, for the weeks they used for rent or used for other purposes in the year 2013 for all the respective resorts?*

Answer: Holiday Club Canarias Sales and Marketing S.L. is the owner of weeks in the same way as all members, It pays the same fees as each and every member for every week it owns whether it uses them rents them or sells them is of no relevance.

- *Question: How much did the company pay in maintenance fee for each resort in the year 2013?*

Answer: The maintenance fees paid were exactly in line with the numbers of weeks the company owned, I don't have the individual number but the total across all resorts was over 1.5M€

- *Question: Is it not right, considering good accounting principles, to state how much maintenance fee the Holiday Club Canarias Sales and Marketing S.L.U. pays for use of weeks in each resort in the year Statement of Income and Expenditure and especially in the Budget which is the basis of the decision of the amount of maintenance fee each year? This seems right as the fact is that the*

*company owns approximately 1/3 of total weeks in these resorts and can use them for their clients accordingly.*

Answer: The income of each resort is already clearly shown in the profit and loss accounts as total Income. The only difference is that Holiday Club Sales and Marketing S.L.U. pays for more weeks, The amounts shown include all these amounts once again it pays the same as all owners do, and must pay regardless of whether it uses the week or not.

- *Question: How many weeks did the Holiday Club Canarias Sales and Marketing S.L.U sell in the form of "free hold" contacts in the year 2013 in all the respective resorts?*

Answer: This has no relevance as Holiday Club Sales and Marketing is a commercial business, Holiday Club Sales and Marketing's accounts are a matter of public record and access is available from the Companies Registry,

- *Question: How does Holiday Club Canarias Sales and Marketing S.L.U advice the defaulting owners if they want to sell their weeks before the company „reposesses“ their weeks?*

Answer: If somebody has not paid the maintenance fee we will not transfer the week to a new owner until the contract is up to date, It is your responsibility to pay your maintenance fees as an owner. If you wish to sell it, it is also up to you and we do not influence this.

- **Question:**

*RDO, Resort Development Organization, a trade association for companies that market and sell timeshare apartments in holiday resorts, and TATOC, The Association of Timeshare Owners Committees, a not-profit association for timeshare owners, has worked together over the past two years in order to find solutions for owners who have a pressing need to end the ownership of its shares. In RDO News April 29, 2014 RDO announces that from the end of 2012 its member companies are required to have some kind of procedure or exit programme, for timeshare owners to end their ownership. Especially when the need to end the ownership has arisen because of illness or high age the exit procedure should be carried through quickly and sympathetically. The entire text can be found in RDO News April 29th, 2014 on the RDOs website www.rdo.org .*

*Holiday Club Resorts Oy is a member of RDO and Calvin Lucock, Director of Holiday Club Canarias and Chairman of the Owners Committees of Owners Associations in Holiday Club Canarias Resorts, is also Chairman of the RDO Board of Directors. We owners have not yet received any information from Holiday Club Canarias whether work on an "exit programme" to terminate the ownership of shares has begun.*

*Has Holiday Club Canarias drafted any procedures / exit programme for owners to terminate its ownership in accordance with the RDO's message in RDO News 29 April 2014. If so, what means are included in the programme?*

Answer: The Chairman confirms that HCC S&M complies in full with RDO Code of Conduct, and naturally in line with all resolutions passed. The Chairman has previously addressed this issue and as a matter of fact, HCC S&M has assisted owners with exit over and above any guidelines set by RDO.

(3) Mr. Karlsson and Mr. Piegrass, as representatives of OPCA Sweden and Denmark respectively, have submitted certain requests to the Services Company, detailed below:

- Submit at least an approximate statement of the extra costs Holiday Club Canarias Resort Management has had as a result of the clean-up, over the years 2011, 2012 and 2013 in addition to costs for ordinary activities.
- Present the amounts of collected maintenance fees that the company itself can keep as a result of the decisions a) and b) at the General Assemblies in 2013.

The Chairman takes the floor and states that the extra costs are difficult to measure since it is related to labour costs. In addition future liabilities that are incurred as a result of the work could be calculated over one year or five year as giving very different figures. As an example the Chairman explains that across all five resorts, the maintenance fee liability of Holiday Club Canarias Sales and Marketing S.L.U. has increased in the last 3 years by one million Euros.

Regarding amounts of collections referred to in point 2 the Chairman informs that as a result of the repossession process the amounts of monies collected in outstanding maintenance fees is considered to be irrelevant compared to the costs incurred.

(4) Mr. Hans Olav Knagenhjelm, as representative of OPCA Norway, has sent the following proposals to be discussed in the meeting:

- *Proposal: to install Internet in all flats.*

Answer: it is already done and addressed before in this meeting.

- *Proposal: To include contact info for the owner associations in the Minutes for information to all owners.*

Answer: this is a meeting of the Owners Association where all members are welcomed. OPCA is a private association of certain members and not recognised as a legal body of the Owners Association. The Services Company acknowledges the existence of OPCA and welcomes any proposals from OPCA's representatives, but this does not mean that OPCA can have a legal standing nor that the Services Company has to favour OPCA or its members above any other members.

- *Proposal: HCC should put out weeks for sale to owners before they are sold through HCC sales Company*

Answer: this is a pure HCC S&M commercial decision, as it is considered that they have a competing activity.

- *Proposal: As a result of stable Internet lines it is proposed to change TV provider to IP-TV with the main channels for all owner nationalities.*

Answer: Other options will be studied

- *Proposal: Eurosport should be in English not German.*

Answer: Proposal is noted and it will be checked whether it can also be offered Eurosport in English.

- *Proposal: Install Video and HDMI cables on new TV's for connection of PC etc.*

Answer: This is already solved. HDMI cables are available.

(5) Mr. Hans Olav Knagenhjelm, as representative of OPCA Norway, has furthermore sent the following questions/remarks in connection with the 2013 Owner meeting requesting to be answered by the Services Company:

- *Records for 2013 not presented as part of call for meeting.*
- *Some questions in 2013 meeting not answered in the minutes.*
- *Proposals for the agenda should be called for before call for meeting.*
- *HCC to inform on RDO agreement of “Graceful Exit”.*
- *HCC to include a FAQ on the homepage.*
- *HCC to include an information “window” on the homepage for owners to follow what is going on.*

The Chairman answers all the above questions from Mr. Knagenhjelm as follows:

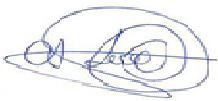
- 1) The relevant information of meetings is uploaded in the webpage before the meeting, so that they are available to all owners. Including them in the envelopes with the callings for the next year would only duplicate the work and increase costs, and it would be again against previous decisions as regards internet communications.
  - 2) All owners associations related questions sent in writing in due time were answered and recognised in the minutes.
  - 3) All proposals that are received in writing on time are included in the agenda. Owners know from one year to the other when the meeting is going to take place. Owners need to understand that they are over 700 people.
  - 4) Regarding the question on RDO, it has already been addressed before in this meeting.
  - 5) Regarding the suggestion on FAQ, it is acknowledged as a positive suggestion.
  - 6) Regarding the suggestion on the information window, it is also acknowledged as a positive suggestion; it is something being considered in the Holiday Club Canarias webpage for the owners associations, but it is already implemented in the Holiday Club corporate webpage.
- (6) Upon the comment with regards to the lack of TV channels, Mr. Picón explains that installing satellite dishes and receivers outside the country of origin is legally prohibited and fines are considerable. Mr. Picón also indicates that the BBC has stopped broadcasting outside of the UK. Mr. Lucock mentions that with the new WIFI in the rooms, certain channels can be streamed from the available web sites.
- (7) Mr. Piepgrass indicates in the meeting his wish to have a defibrillation (heart-start) machine available at the reception. Mr. Picón agrees to study the possibility, investigate the cost and liability when used by non-experienced or non-instructed persons.
- (8) Upon the comment of an owner that the reception is too crowded with sales persons, Mr. Lucock explained that alternatives are being looked into.

## **17. 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 Thursday, 4<sup>th</sup> December 2014 at 12:30 hrs.



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**THE CHAIRMAN OF THE MEETING**

Mr. Calvin Lucock

**THE SECRETARY OF THE MEETING**

Mr. José Puente