

# **EL MARQUES PALACE CLUB**

## **Minutes**

**Of the AGM held in Tenerife on the 29th of September 2011 at 11.00 a.m.**

### **Present**

- Mrs Rutter, Week 45 apartment 218 (Committee member)
- Mr. and Mrs. Pigott, owners of 10 weeks (Committee member)
- Mr & Mrs Kent weeks 39 & 40 apartment 223. (Committee member)
- Mr & Mrs Lothian week 40 apartment 221.
- Mr. Lucock and Ms. Porter week 20 apartment 224
- Mr. and Mrs. Stocking owners of week 14 221
- Mrs Rosi Doniz (acting secretary)
- Mr David González, Resort Manager, acting as Chairman, and representing the resort promoter and unsold weeks.
- Proxy Votes : 10

Checking the quorum required for the Meeting, the Chairman declared the meeting open. Mr. Gonzalez said that in the Meeting where represented a total of 845 weeks out of the 1,479 possible.

He then proceeded to read the agenda, and all present declared to be in agreement with it.

### **The agenda read as follows:**

- 1. Reading and approval of the minutes of the previous AGM.**
- 2. Reading and approval of the audited accounts of the year 2010.**
- 3. Reading and approval of the budget for 2012 and their quotas**
- 4. Cancellation and confiscation of unpaid weeks**
- 5. Admission and ratification of new members to the club**
- 6. Ratification or not of members of the committee.**
- 7. Information and discussion on a proposal voted on unanimously by the Community of Owners of El Marques Palace at the September 2010 Whole Ownership AGM in respect of an agreement between El Marques and El Marques Palace related to the use of common properties to both resorts which was initially supported by the El Marques management but eventually rejected by the El Marques AGM without considering a counter proposal.**
- 8. Any other business.**

### **1. Reading and approval of the minutes of the previous AGM**

Mr. Gonzalez acting as Chairman of the AGM and after reading the minutes of the previous AGM, asked if anyone had something to say, to which Mrs. Stocking pointed out that the Minutes had a wrong date for the celebration of the AGM of this year, it said 26 of September when it had to say 29<sup>th</sup> of September.

Ms. Rutter pointed out that the matters listed in the last point of the agenda of last year had to be checked, to see if they were done.

The meeting went through them one by one.

**1.- Significantly improve guest satisfaction questionnaire, incorporating questions that will ask the guests what aspects could influence their perception of the complex. Include RCI Exchange guests in resort's own questionnaire.**

This matter is still on going, and it was promised to be concluded very soon.

**2.- Improve Pool Bar Menu (better presentation and lamination)**

This was checked out and agreed that the improvement was satisfactory.

**3.- Introduce a carry-out (Take Away) service from the Pool Bar.**

This proposal proved inefficient and non-functional due to the poolside bar hours

**4.- Include in the welcome information, issues related to saving water and electricity.**

This was checked out and found satisfactory

**5.- Improving deficiencies in the bathrooms.**

Mr. González, briefly explained the works made in the apartments to improve those apartments with deficiencies.

Several of those present pointed out that even being posted on the 25th of August (more than 28 days before the meeting) they received only a week ago. Mr. Gonzalez pointed out that he was surprised because the paperwork was posted plenty of time before the meeting and he only got proxy votes from the Russian member, when usually ones from the UK arrive earlier.

He promised to investigate further this matter, and look for a solution. Especially to publish the paperwork and the calling for the meeting on the website

Mr. Gonzalez proposed the approval of the Minutes of the 2010 AGM.

Voting the approval of the last AGM minutes with the proposed amendments,

**The minutes were approved unanimously by those present.**

**Proxy votes, 10 in favour and none against.**

The minutes of the previous AGM were adopted with the amendment previously mentioned.

**2. Reading and approval of the audited accounts of the year 2010.**

This point started with Mr. Gonzalez going through the accounts point by point.

First mentioned that the differences between the budgeted income and what was collected had to do with the penalties applied to those that paid late, and the fact that the promoter covers the bad debt of the weeks that are blocked and finally confiscated for that reason.

So, in the total income there is a surplus of 7.798 €. The other notable thing to see is the difference in the item "Repairs and Maintenance" where we budgeted for 33.991 € and finally spent 75.342 €, this was because of the improvements promised in our 2009 AGM that finally were made early 2010. (bed covers, curtains, cutlery, etc.)

The other notable aspects were the losses in the Pool Bar and the Sporting Club, where the losses budgeted for did not include the depreciation of the assets. And that made the difference in what was budgeted for and the final figure.

Nevertheless we ended the year with a surplus for the current year operations of 3,000 € that added to the reserve fund collected for the year, ended up to a surplus of 15.292 €.

It was also explained that the forecast for this year in relation to the Pool Bar was much better, that the losses were significantly smaller, and that we were planning to do extra activities to improve the figures and specially to improve the guest satisfaction.

Mr. Gonzalez planned to move some of the activities from the pool bar to the Sporting Club, which after the fire and vandalism that occurred this year had been cleaned and prepared to hold some activities, such as the barbecue, karaoke and others. (Planned to start in October or November)

Ms Rutter commented her satisfaction about the animal figures made, by the maids, with the towels, and how good impression it makes.

Further comments were made in respect of the budget and the expenses of the club, in how to keep the expenses down and how to improve the apartments.

Mr. Gonzalez asked the assembly to approve the presented Account for 2010.

**Put to vote of the assembly it was approved unanimously by all those present**

Proxy votes 10 in favor, none against.

**3. Reading and approval of the budget for 2012 and their quotas**

On this point of the agenda Mr. Gonzalez started by saying that the budget was prepared in the same line that the 2011 budget had been done, with a lineal increase in that all the items of the budget increased in accordance with of the cost of living in Spain (3.2% at July 2011).

He also mentioned that he had to delay some of his plan to renew some aspects of the apartments, due to the actual economic climate and he commented that the major difficulty we were having in relation to the RCI exchanges scores was what is called "unit maintenance", and that he had the feeling that making some improvements in the apartments would be a big boost to the perception of our guests in this matter, but unfortunately we would have to wait for the 2013

budget. At this point Mrs Rutter explained that the committee had presented a plan of improvements, installing new televisions and new furniture in the lounge, removing the existing, to gain additional storage space as well as a new look for the apartments as they were looking a little out-dated. It was explained that this proposal would need the approval of the assembly for the implementation of a one off extra payment of 15€ per week, to purchase the new televisions and furniture, which would take place at the beginning of 2012. It was suggested that the old televisions and display stand which is currently in the apartment be sold to make a profit. After some other minor considerations It was proposed to put to a vote the approval of the presented budget for the club in 2012, its fees and the extraordinary charge of 15 € per week for the new furniture and 32 inch television.

**Voted by the assembly it was approved unanimously by all those present**

Proxy votes 9 in favor, 1 against

**Maintenance Fees approved for year 2012**

Apartment type.	Fee for 2012	Extraordinary Additional Fee
<b>One bedroom (IGIC included)</b>	<b>421 €</b>	<b>15 €</b>
<b>Two bedroom (IGIC included)</b>	<b>515 €</b>	<b>15 €</b>

**4. Cancellation, and confiscation of weeks with outstanding debt**

Mr. Gonzalez presented the list of owners with outstanding debts and after explaining the rules that govern the Club for the confiscation of weeks, submitted for consideration of the meeting the cancellation and confiscation of weeks with outstanding debts. After a brief discussion, Mr. Gonzalez suggested the vote on this point;

**Cancellation and confiscation of weeks with outstanding debt was approved unanimously by those present.**

Proxy votes 10 in favour, none against

**5. Ratification of the admission of new members**

The same as the previous point Mr. Gonzalez presented the list of new owners and after explaining the rules that govern the Club for the admission of new member, submitted for consideration of the meeting the admission of new member for the club.

Mr. Gonzalez proposed the admission of the proposed new members.

**Voted by the assembly it was approved unanimously by all the present**

Proxy votes 10 in favour, none against.

**6. Election of new member of the committee and replacement or re-election of one of the former members.**

In absence of any other candidate to be proposed as a new committee member in substitution of the one that is supposed to be rotated, Mr. Gonzalez proposed to ratify the actual committee members and to personally thank them for all the effort they have made to look after the interest of the club and to improve the satisfaction of our guests.

He also wanted to remind all the club members that if they wanted to become members of the committee they only have to propose themselves (before the middle of august), sending a letter showing their interest to be a committee member and that the proposal would be made to all the club members for the next AGM.

Proposed to the assembly the ratification of the actual committee members

**It was approved unanimously approved by those present**

Proxy votes 10 in favor, none against.

**7. Information and discussion on a proposal voted on unanimously by the Community of Owners of El Marques Palace at the September 2010 Whole Ownership AGM in respect of an agreement between El**

**Marques and El Marques Palace related to the use of common properties to both resorts which was initially supported by the El Marques management but eventually rejected by the El Marques AGM without considering a counter proposal.**

Mr. Gonzalez started by explaining that in the last AGM (2010) of the community of Owners of El Marques Palace it was agreed unanimously to try to get a friendly agreement with the Association and 5 Communities of El Marques managed by Wimpen, once they had finally lost the court case taken by them against the Palace Community which they lost in the Appeal Court (2004) and the Supreme Court (2009), losing 9 years, time and money with our costs awarded against them.

Wimpen wrongly claimed that the communal areas of El Marques Palace belonged to the El Marques Association. Finally in the judgment of the court it was established that the land claimed by El Marques belonged to El Marques Palace, also it is to be noted that El Marques Palace owners own an important share of the El Marques Association land and buildings below the road (more than 33%), which give us rights and obligations in regards to the Association.

On the basis of this clarified and new situation we agreed in our Community of Owners AGM to offer the other 5 El Marques Communities a solution based on the fact that we own a significant share of the infrastructures that allow them to be a resort, (pool, reception, bar, tunnel etc.) and that only benefit them. We were happy to continue as separate resorts and managements. On the basis of a reasonable agreement for 10 years, where we would not exercise our rights or obligations in the Association, and the recognition of our rights as owners of a significant share of the assets of the Association, by the payment of a symbolic amount for allowing the other communities of El Marques to have the exclusive use of these assets for 10 years.

We met with the management of the Association and other Communities, Wimpen, in their offices, and agreed with them that they would propose to their next AGM in December 2010 this solution, reaching a 10 years agreement on the mentioned basis.

To our surprise, after assuming that what was discussed between the respective administrations of the Association and other Communities and El Marques Palace was agreed to be a satisfactory solution, it was not even voted on at their AGM in 2010, and was even referred to as blackmail. The explanation we then received was that The President, Mr Pengelly, could not reach the meeting because of a travel impediment.

After some minor discussion and further clarification the meeting continued with the next point of the agenda.

**8. Any other business.**

After some considerations of the meeting a list of improvements necessary to do immediately was agreed by the all the assistants to the meeting.

1. To ask all the guest to fill in the satisfaction questionnaire
2. To improve the lighting in the bedrooms and living room (new low consumption bulbs with higher power)
3. To remove the artificial plant in the living room
4. Change the door hinges in the kitchens
5. To put a mirror with a small shelf in the second bedroom of the T2
6. Replacement of the mirrors in the corridor and new protection for it and maybe changing the place where they are now.(to be studied)
7. To promote that all communication with the club members be made through e-mail, where possible
8. To improve the amount of plugs and sockets in the kitchen
9. To ask all the club members to fill in a form giving their e-mail addresses

**The date for the next AGM was proposed for Wednesday 3<sup>rd</sup> October 2012**

Agreed as well to have a control meeting of the Committee (via telephone or e-mails) for the 15th of December to check progress on these matters.

All these suggestions were approved by all the present  
Meeting adjourned at 13:00