



**MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF THE GENERAL
COMMUNITY OF THE PRIVATE COMPLEX HACIENDA RIQUELME GOLF RESORT THAT
TOOK PLACE ON THURSDAY, NOVEMBER, 19TH, 2020**

The meeting, chaired by Mr Gordon Hutchinson began, on second call, at 10 am with the following

ATTENDEES

Mrs Wendy Walker, President of Phase 1.

Mr Mike Portlock, President of Phase 2.

Mr Gordon Hutchinson, President of the General Community and Phase 3.

Mr Rod Hodwarth, President of Phase 4.

Mr Ron Locke, President of Phase 5A.

Mr John Barr, President of Phase 6

Mrs Margaret Daniels, President of Phase 7.

Mrs Viv Church, President of Phase 5B, was represented by Mr Gordon Hutchinson.

RESORTALIA, as Secretary – Administrator, was represented by Mr Isaac Abad, Director; and Mr Alberto Gómez, Lawyer of the Legal Department.

AGENDA

1. Decision making regarding the termination of the contract signed with Resortalia and the removal of the current administrator-secretary. Actions to be taken. (Debate regarding the expiration of the Resortalia contract and removal of the current Secretary-Administrator. Actions to take.)

The President, Gordon Hutchinson opened the meeting and explained we were making decisions on behalf of the General Community and not the 77 sub community buildings. He offered the floor to attendees.

Margaret Daniels, President of Phase 7, took the floor and explained that in her opinion the procedure had not been duly informed and that she considered that the procedure to remove



RESORTALIA had been immoral and full of half-truths, adding that things should be done in a different way. She expressed that the procedure has been carried out in a hurry with no guarantees.

Gordon Hutchinson explained it was necessary for speed and accuracy due to the experience of previous Resorts Presidents attempting to do the same thing.

Mr. Isaac Abad, on behalf of RESORTALIA expressed that they've been serving as Community Administrator of the General Community of Owners of Hacienda Riquelme since year 2008 with loyalty, transparency, effectiveness and efficiency.

As well, they remarked that after 12 years of painstaking work, there is no need to remind the numerous achievements that has been reached on the benefit of all owners with the invaluable help of the volunteers that have been involved as Presidents, having always had a honest, loyal, respectful, cordial and based on the good faith relationship.

Mr. Abad said that trust have been let down by hiring, behind our back, a one trusted person of Resortalia, and after, propose their removal without any reason.

They also stated that, although they will respect any decision, things should be done in a different way, adding that, from their point of view, this has been a conspiracy and that RESORTALIA has been stabbed in the back.

Gordon Hutchinson stated that an EGM was carried out before Resortalia employee was contacted whereby the Board unanimously agreed to appoint a Resort Manager.

Mr Locke expressed that he considers simply that the service might be carried out cheaper, stressing that RESORTALIA staff is working for other Resorts. RESORTALIA replied that this fact, as all the Community Administration companies do, has never been hidden, it's included on the contract signed, and that they can offer those prices exactly for that reason. If not, it would not be possible to pay the salaries of number of workers located on the Resort and besides the Community has proposed to contract the same person, Pepa Pérez, that has learnt from zero all the knowledge from Resortalia to manage Hacienda Riquelme, which is disloyal and not fair at all.

The President, Gordon Hutchinson, explained that at the end of Sept he had requested a proposal from Mr. Abad so that we could start negotiations. He requested a breakdown of the fees into Admin, Resort Management, Legal and Insurance. Mr. Abad sent him in a “WE CARE” proposal on 9th October. On 22nd October, a meeting was arranged to go over the details and negotiate the proposal. This meeting started with Mr. Abad saying that for it to be profitable for Resortalia, an increase of 15% on current price would really be needed.

Mr. Abad on behalf of Resortalia, responded that Hutchinson’s comment was not true.

Mr. Hutchinson said Mr. Abad’s statement was untrue.

Mr. Abad on behalf of Resortalia said that the written proposal sent to the President had a 2,5% increase and was open for negotiation and they were waiting for the President to negotiate, adding that if the problem was the money, they’d be happy to negotiate it.

Mr. Abad on behalf of Resortalia claimed that the President never asked for any reductions and no negotiations were made about the fee, saying that they could negotiate now any reductions they wish.

Mr. Rod Howarth stated that it was too late to negotiate now, which was also confirmed by Mr. Gordon Hutchinson and others.

Mr. Abad on behalf of Resortalia stated that absolutely this has been planned for a long time.

Mr. Hutchinson stated that Mr. Abad’s version was not true, and that Mr. Abad had explained they could not under any circumstances lower the proposal increased by less than 2.5%. Mr. Hutchinson also explained that the proposal was not broken down into 4 categories as requested, a discussion took place about other proposals made by Isaac Abad.

Mr. Portlock stated that he had always had a very good relationship with RESORTALIA but that the Board has decided to look for other alternatives, which he considered it’s the right thing to do at this moment.



Mrs. Daniels explained that, due to the current circumstances because of the health crisis, it was a huge risk.

The point was put to the vote and was approved by a majority of 7 to 1, with Mrs. Margaret Daniels, President of Phase 7, voting against it.

Therefore, it was agreed not to renovate the contract with Resortalia for the Community Administration of the General Community and their removal at the end of the contract.

2. Election of administrator, secretary or administrator- secretary (Election of administrator, secretary or administrator-secretary)

The President stated that the proposal was that, in the interim to the self-administration, he'd take charge of the functions of Administrator and Secretary – Administrator.

Margaret Daniels expressed that this is a huge risk for the Community in terms of, for example, civil liability as long as the President would not be covered in these functions in the event of mis-management, incompetence or fraud

Mr. Isaac Abad on behalf of RESORTALIA explained that they have a 1.000.000 € Civil Liability Insurance to cover any circumstance. Who would be liable for that on the self-administration?

They added that current cost of your Administration costs for the General Community are 59.953 Euros plus VAT, including the continuous assistance of personnel of our Company inside the Resort, in all their needs on Resort Managing, customer care, translations, accountancy and budgeting, debt recollection and legal assistance by trained Lawyers. Besides all the office and admin costs included. And all this with an experience of 12 years on your Resort. He states he would like to know if they were going to hire all the personnel of Resortalia working for Hacienda Riquelme.

Mr. Abad on behalf of Resortalia said that, in their opinion, this decision would be a big mistake, and will establish a nepotism system in which the Committee, and in particular, the

Presidents will not have limits to his power, which will mean, on the long run, an important increase on costs.

At last, they said that the Board was not deciding about Administration, but deciding about Democracy, Transparency and Honesty.

Mr Hodwarth stated that El Valle has been self-administered for ten years on a successful way. Mr. Abad on behalf of RESORTALIA replied that please take the time to compare the costs of El Valle in Administration adding all lines referred to it and the cost per owner in Hacienda Riquelme, it was their duty to remark that this decision is a huge risk for the Community, as those competences should be carried out by professionals in Community Administration.

Mr. Ron Locke stated that they had received legal advise. After RESORTALIA's questions, the President confirmed that the lawyers – IMONT - would contact RESORTALIA for the transition.

Mr Hutchinson was asked about if he'd get a salary or financial incentive. He replied no.

The point was put to the vote and was approved by majority, with the vote against of Mrs Margaret Daniels, President of Phase 7.

Therefore, it was agreed to appoint Mr. Gordon Hutchinson as Administrator and Secretary-Administrator in the interim of the self-administration.

3. AOB (Any other Business) (Requests and questions)

The President said that the General Community is going to start the procedure for the self-administration.

Margaret Daniels explained that she was against this decision.



Resortalia

Community Administration

There was no further business to attend, so the meeting ended at 10:40 on Thursday, November 19th, 2020. The Minutes are certified by the Secretary - Administrator and approved by the President.

SECRETARY – ADMINISTRATOR

PRESIDENT