

**Associação de Proprietários da Quinta da Encosta Velha APQEV)
(Quinta da Encosta Velha Owners Association [OA])**

Minutes of General Meeting

19th November 2017

Brown's, St.Martin's Lane, London

Attendance and apologies

The list of members attending and those who had sent apologies is attached to the minutes. 40 members attended representing 27 different houses.

1. Welcome and Introduction

Ken Edis Chairman of the General Assembly Board welcomed those attending and referred to the apologies that had been received.

He also referred to the papers circulated in advance of the meeting and said that, for the purposes of presentation and discussion of the issues, it would be assumed that the papers had been read.

2. Report of the Management Board

Tim Cooke, Chairman of the Management Board, referred to the contents of the written report and gave a short update on various aspects of the activity of the Management Board and Committees.

He reported on some of the actions that the Finance Committee, supported by the Management Board, had taken to pursue those owners who do not pay C&U charges in full (or at all) and said that further information would be given in the report of the Finance Committee later in the meeting.

He referred to the completion of the internet installation and said that the system had responded well to the high levels of usage experienced during the busy Summer period. He mentioned that the Management Board were investigating possibilities for the use of the site of the former compost heap on the north-east corner of the site, including the possible creation of a children's playground.

He concluded by thanking members of the Management Board and the Association's other Committees for their work over the past six months and re-emphasized the need for more members to participate in the work of Committees to relieve the burden on the current membership and to provide "new blood". He invited volunteers to come forward and offer their services.

Various questions were asked about the potential plans for a playground and some of the matters which the Management Board should take into account were discussed. These included matters of liability and security; noise; aesthetics; age limits; and the relative priority of expenditure on such a project compared with, say, improvement/maintenance of the pools. Other suggestions included the creation of a garden area and/or a picnic area on the site.

Tim Cooke assured members that consideration of ideas for the use of the site are at an early

stage and that no budget provision has been made for implementation of any such project in 2018. It was very helpful to have members' views on the potential use of the site and he encouraged members to continue to make views known to the Management Board.

3. Proposal for Pool Availability and Eligibility in 2018

A paper had been circulated containing a proposal by the Management Board to "mothball" the pools at Plot 152 and to invite those properties for which Plot 152 is the assigned pool to purchase access to the pool at Plot 153 in 2018. The Management Board further proposed that any house for which the pool at Plot 153 is not the primary pool be permitted to opt to use the pool at Plot 153 on payment of a supplementary C&U charge.

Ken Edis and Tim Cooke explained the background to the proposals and referred to the relatively low usage of the Plot 152 pools and the amount that would be required to restore the pools to full use, particularly the replacement of the decking. A small sum (€3000) had been included in the draft budget to keep the area looking tidy but it seemed to the Management Board that the cost of full maintenance would not be justified by the likely level of usage.

Several members related experience of using the Plot 152 pools and pointed out how important the pool is to houses in that area; that it is the only paddling pool facility for small children; that it is possible to make use of the pool even if it is not heated and the damaged decking roped off; that access to the Plot 153 pool is not easy for disabled owners and visitors; and that parking near that pool is difficult.

Members attending the meeting were sympathetic to the needs of those who do make use of the Plot 152 pools, especially during the Summer school holidays, and recognized the obligation to operate the site for the benefit of all owners. It was also noted that the draft budget, as presented and with provision for "mothballing", had been unanimously approved by all those members who had submitted proxy votes.

Two specific suggestions were made which the Management Board was asked to consider. The first was that Santo Antonio should be approached to establish whether a concessionary rate could be established for daily (or weekly) use of the resort Spa and pool so that QEV owners and guests could be encouraged to make use of the resort facilities, including paddling pool, pool etc. The second was that the feasibility of opening the Plot 152 pools only in the summer months, or perhaps only during Summer school holidays should be investigated and the costings reviewed.

No vote was taken on the proposals on the basis that the Management Board agreed to consider the discussion at the meeting and the specific suggestions made and would also assess the potential additional demand for usage of the Plot 153 pool by canvassing other owners as outlined in the proposal.

Tim Cooke thanked members for a helpful and constructive discussion.

4. Annual Budget and Membership Fee for the year to 31st December 2018

a) Update on Finances, year to date

The Treasurer referred to the fairly healthy cash position of the Association at the present time and reported on the various credit balances in each of the Association's accounts.

Alan Midgley gave the Finance Committee's report, circulated with the papers for the meeting, and reported fully on the position of the C&U debtors listed in the papers. He distinguished and explained the positions of different types of debtor on the list (including banks, investor owners, vendors, and others) and outlined the actions that are being taken to induce the various debtors to meet their obligations.

Advice has been taken from a major Lisbon firm of lawyers on the recovery of debts owing to the Association for the provision of services and a letter before action has now been drafted which will be available to send out to debtors warning that we are ready to institute proceedings if debts are not settled.

In response to questions, he confirmed that only one of the debtors listed is currently a member of the Association and agreed that it is highly unsatisfactory that members who are in default should be permitted to retain their membership of the Association. The meeting instructed the Management Board to give notice to the member concerned, Luis da Silva, that unless all debts to the Association are settled a resolution for the termination of his membership would be proposed at the next General Meeting.

Credits resulting from surpluses generated in 2016 will be issued to houses which have paid C&U in full when the invoices for 2018 are distributed in January.

b) Proposed C&U Budget for 2018

The Treasurer referred to the draft budget and explanatory notes circulated with the papers and said that the recommendation of the Finance Committee was that the budget as presented should be approved.

He confirmed that no provision had been made in the budget for repair or replacement of the irrigation system (which would be the subject of a separate financial discussion if it appeared that expenditure would be required in 2018) and explained the breakdown of the €17,500 budgeted for the fibre optic internet & system (which includes provision for the monitoring of the CCTV system when implemented).

He suggested that the pattern of spending necessary to support services at QEV had now become established over four years and that, in his estimate, the likely range of annual cost of operation going forward – excluding the painting fund – is between €150,000 and €175,000.

The resolution "That the budget for 2018 be approved as presented" was carried unanimously on a show of hands by those present and, after the addition of proxy votes, by a total of 621.8 votes with no votes against and no abstentions.

c) Membership fee for 2018

The proposal made by the Chairman of the Finance Committee (Alan Midgley) that the following membership fees for 2018 should be approved was carried unanimously on a show of hands by those present and, after the addition of proxy votes, by a total of 621.8 votes with no votes against and no abstentions.

1 or more outright properties	*€40
1 quarter fraction	€20

2 quarter fractions	€30
4 quarter fractions	*€40
1 twelfth fraction	€10
2 twelfth fractions	€20
3 twelfth fractions	€30

* Maximum from any one owner

5. Legal position and ownership/acquisition of the pools and Reception building

Ken Edis referred to the detailed paper circulated prior to the meeting and said that he had received updates from our lawyers, within the preceding two days, which allowed him to provide further clarification and report further progress.

a) Common green areas

The large green area of land that surrounds the urbanization, much of it between QEV and Quinta da Montinho, is designated as "community land" and the exact legal ownership of this common green area has been investigated by the lawyers. Whilst their research is not entirely complete they have reported that it is almost certain that ownership was not transferred to individual owners as co-owners but was retained by the developer, albeit with an obligation to permit common use. We now intend to ask the lawyers how that land should be managed (and by whom) and to what use it might be put.

b) Securing payment for C&U services at QEV

As referred to earlier in the meeting, Ken Edis confirmed that the lawyers had now provided a draft letter before action to send out to debtors warning that we are ready to institute proceedings if existing debts are not settled.

The lawyers have also advised on the legal status of the development and have indicated that we are not entitled to establish a single condominium or horizontal ownership arrangement across QEV without the agreement of 100% of owners. That unanimous agreement would not be forthcoming and their advice is, therefore, to proceed by way of new contracts between the Association and individual owners. That is under consideration by the Management Board and will necessitate further assistance from our lawyers, albeit the intention would be to make the contracts as similar as possible to the contracts formerly entered into with GSA.

c) Acquisition of assets

Further to the developments reported in the circulated paper, the lawyers had just provided a draft of a non-binding preliminary offer for the acquisition of the pools and reception block and related common areas. It will be necessary to study the draft and, amongst other things, determine the appropriate price to offer. The offer letter refers to the amount of money already

spent by the Association over the past four years and puts that into account as a factor in determining the price to be paid.

Making the offer will not, in itself, commit the Association to proceeding even if it is accepted but it will indicate to the Liquidator (and to the Creditors' Committee) that there is a serious bid on the table for the acquisition of the assets. The Strategy Committee will review the draft letter with the Management Board and determine how and when to submit the non-binding preliminary offer (and on what terms).

Questions and discussion ensued about the possible structures required to manage and operate the assets if they were acquired; the means of financing; the commercial viability and possible business uses of the Reception building; and the likely costs of acquisition and subsequent renovation and operation.

Members were reminded of the paper considered at the General Meeting in November 2016 on those and related issues and the Secretary was asked to recirculate that paper so that – now progress was being made on the acquisition element - members could again think about various options for financing and structuring the operation.

6. Future Meetings

Ian Hodges asked whether the Management Board would investigate the possibility of streaming future meetings of the Association so that more members could, at least, listen to the meeting and participate to the extent possible. It was agreed that streaming, or some other form of webinar or remote participation, should be considered.

The dates of the General Meetings for 2018 will be determined and circulated to members in the near future.

Members agreed that the Chairman could sign the Minutes on behalf of those present and the meeting concluded at 3.45pm.

Chairman..... Ken Edis Date:

Secretary..... Peter Smith Date: