

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

Minutes of General Meeting

18th November 2018

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

Attendance, proxies and apologies

38 members attended representing 23 different houses. 33 members sent apologies and submitted proxies totaling 300.8 votes and a further 21 members sent apologies.

1. Welcome and Introduction

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

He referred to the vacancies on the Management Board, General Assembly Board, and Fiscal Board which had been noted at the last meeting and said that he was glad to Geoff Solomons had now joined the Management Board and that Christine Howell and Roy Dinsmore would take up the positions of Secretary of the General Assembly Board and Chair of the Fiscal Board respectively. These vacancies had been filled as casual vacancies and those appointed would be offering themselves for election at the next AGM.

He thanked those three members for agreeing to participate in the running of the Association and invited any other members who might want to join a Board to put themselves forward.

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 that action taken by the Finance Committee, supported by the Management Board, had further reduced the number of houses not paying C&U to 20 (from 32 a year ago) and that it is likely that legal action will be required against some or all of the remaining non-payers.

Questions had been submitted by members concerning the state of the entrance to the development, the screening of the bins, and signposting. The Estate Manager reported that a request for screening is currently with the Camara and that there will be an application to put up a suitable sign at the entrance to QEV. Signposting in QEV itself has been completed.

Internet provision had failed several times during the Summer, partly due to the destruction of fibre cable in the Monchique fires. Overall service levels are around 99% but, as a backup, the Management Board is in the process of deciding whether to install alternate cabling to QEV which would come into use if there is a problem with the principal supply.

He referred to the proposed budget for 2019 and, noting that it is below the level of expenditure for the current year, said that one of the questions for future discussion by the Management Board will be the balance to be struck between the level of C&U and the quality of services

and facilities provided at QEV. He invited views from members to help the Management Board achieve the right balance.

He concluded by thanking members of the Management Board and the Association's other Committees for their work over the past six months and repeated the invitation to members to offer assistance with the work of the Association.

3. Annual Budget and Membership Fee for the year to 31st December 2019

a) Update on Finances, year to date

The Treasurer presented the financial position and forecast for the current year showing that expenditure is expected to be broadly on budget notwithstanding additional costs incurred in the upkeep of the gardens and as a result of leakage in the irrigation system. The water leakage has been rectified and a system is to be installed to monitor and give early warning of leaks. He referred to the capital expenditure figure relating to the completed installation of the CCTV system and said that provision made in 2017 for that expenditure had been carried forward into the figures for the current year.

Overall, the Association's cash position is healthy.

It is not yet clear whether there will be credits for owners resulting from any surplus generated in 2017. If there are they will be issued to houses which have paid C&U in full when the invoices for 2019 are distributed in January.

In reply to a question about the budgeted maintenance work on Pool 153, the Estate Manager confirmed that the repairs are due to be executed in December. The Treasurer also confirmed that the Painting Fund is reserved exclusively for the redecoration of properties on an agreed cycle and said that it was the intention of the Management Board to place the funds collected in a separate account so as to ring fence them from the annual operational expenditure.

b) Proposed C&U Budget for 2019

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 reminded members that, in presenting the 2018 budget last November, he had said that the pattern of spending necessary to support services at QEV had now largely become established and that, in his estimate, the likely range of annual cost of operation going forward – excluding the painting fund – would be between €150,000 and €175,000. The proposed budget for 2019 – excluding the Painting Fund – was just over €140,000.

He provided members with a line by line explanation of the proposed budget figures and answered questions relating to the operation of Pool 152, general maintenance provision, and the reduction in estate management costs.

The resolution "That the budget for 2019 be approved as presented" was carried, after the addition of proxy votes, by a total of 602.7 votes to 12 with no abstentions.

c) Membership fee for 2019

The proposal made by the Chairman of the Finance Committee (Alan Midgley) that the following membership fees for 2019 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 614.7 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

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

Ken Edis referred to the paper circulated prior to the meeting and described the current position on the insolvency process in general and the potential acquisition of the pools in particular.

He referred to a judicial hearing that had taken place in Olhao in October at which a judge had considered the validity of various claims in the insolvency of Quinta da Colina. The Association, as a claimant, was represented at that hearing by our lawyers who advised on the outcome of the proceedings. After discussion, the Management Board had subsequently decided to withdraw the claims on the basis that there was little likelihood of success and that any return we might get would be more than swallowed up by the legal costs.

In respect of the pools and reception block, he said that we have not been able to make any further progress and that it may not now be possible to move forward until the general insolvency proceedings reach a more advanced stage. It appears that the liquidator may not be keen to sell off small packages of assets whilst he is trying to dispose of the entire PDF assets as single package. However, we intend to keep open a dialogue with Whitestar, a large commercial organization dealing in the acquisition, management and disposal of “distressed” property and the current owner of the debt secured on the pools, reception building, and two unsold townhouses. It may be possible to strike a deal which would allow us to acquire the assets in the liquidation process with their assistance.

5. Future Meetings

In a brief discussion on the number and location of future General Meetings, there was roughly equal support for a London venue and a Midlands venue and the possibility of reducing the number of meetings per year from two to one was also considered.

Ken Edis said that the General Assembly Board – the group responsible for the organization

and conduct of General meetings – would review the possibilities for 2019 and provide members with a date (or dates) and venue (or venues) as soon as possible.

6. Other Business

Jan Drayton, on behalf of members, thanked the members of all the Association's Boards for their work and for their dedicated and efficient conduct of the business of the Association.

Members agreed that the Chairman could sign the Minutes on behalf of those present and the meeting concluded at 3.15pm.

Chairman..... Ken Edis Date:

Secretary..... Peter Smith Date: