

**Ordinary General Assembly of the
Association of Club Puerto Calma**

("Comunidad del Complejo de Apartamentos Club Puerto Calma")

An Ordinary General Assembly of the Holders of Rights Association of Club Puerto Calma ("**Holders Association**") is held on 30 November 2017. First call at 12.00 hrs, second call at 12.30 hrs.

Meeting held at Hotel H10, Meloneras, San Bartolomé de Tirajana, Gran Canaria, Spain.

Assistance and representations

- **Holiday Club Canarias Sales & Marketing S.L.U.**, holding 1529 votes equivalent to that number of weeks ("*co-Holdership shares*"), represented during the meeting by Mr. Miguel Juliá. (also designated as "**HCC SM**")
- **Holiday Club Canarias Resort Management S.L.U.**, acting as administrator of the Holders Association, representing holders holding 165 weeks ("*holdership rights*") by way of proxies granted for such purpose, represented during the meeting by Ms. Ilona Kievits. (also designated as "**HCC RM**")
- **Ms. Charlotte Andersson** representing holders holding 140 weeks ("*holdership rights*") by way of proxies granted for such purpose.
- **Mr. Bjarne Gregersen and Mr. Keld Hviberg** representing holders holding 138 weeks ("*holdership rights*") by way of proxies granted for such purpose.
- **Ms. Lenalora Pérez**, representing holders holding 26 weeks ("*holdership rights*") by way of proxies granted for such purpose.
- **Mr. Nils Braathen**, holder of 10 weeks ("*holdership right*").
- **Mr. Samuel Tejera** representing holders holding 13 weeks ("*holdership rights*") by way of proxies granted for such purpose.
- **Mr. José Luis Elejabeitia Llana** representing holders holding 9 weeks ("*holdership rights*") by way of proxies granted for such purpose.
- **Mr. Mark Hambelton**, holder of 1 week ("*holdership shares*")
- **Mr. Don Leverett**, holder of 7 weeks ("*holdership shares*")
- **Mr. Roy Stovell**, holder of 9 weeks ("*holdership shares*")
- **Mr. Bjarne Bukhdal**, holder of 2 weeks ("*holdership shares*")

A list of attendants is prepared.

For the minutes it is reminded to the holders that in order to secure proper recording of the name of attendees, the number of votes that each holder has and the casting of votes, there is a prior procedure established so that the holders interested in attending the meeting have to indicate their wish in advance, so that and the list of attendants can be prepared on that basis.

Notwithstanding that procedure, Mr. Matthew Summers goes around the attendees in order to check any additional attendee and the list of attendants is prepared. 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 Holders Association and Mr. José Puente acts as Secretary of the Holders Association, as they were elected in the last meeting of the General Meeting of the Holders Association of Club Puerto Calma held on 1st December 2016. This is acknowledged by all attendants.

The Chairman introduces to the attendees other participants in the meeting:

1. Mr. Roberto Picón, Vice-chairman
2. Mr. Miguel Juliá, representing Holiday Club Canarias Sales & Marketing S.L.U.
3. Ms. Ilona Kievits, representing Holiday Club Canarias Resort Management S.L.U. and the holders that have granted proxies to it and responsible as well for helping in the preparation of the minutes.
4. Mr. Matthew Summers
5. Ms. Claudia Esplá

Language of the meeting

In accordance with past practices, since all of the holders attending this meeting speak English, it is agreed that the meeting will be held in English. The Chairman explains that it is possible to translate and make summaries of the issues discussed in Spanish, German, Dutch, Swedish and Finnish if needed. However all attendees confirm that they are fine in having the meeting in English and there is no need for translation. Certain questions and comments were made by the attendants in Spanish and translation into English was provided.

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

Being present or represented holders holding a total number of 2,049 rights (equivalent to the same number of 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 2017
3. Status of the reparation and renovation fund and of the uses given to the fund
4. Report of the Services Company on the 2016 Statement of Income and Expenditure of the Holders' Association
5. Report of the external auditor of the 2016 Statement of Income and Expenditure of the Holders' Association
6. Report on the repossession by developer of weeks of holders in default. Prorogation of the 2011 resolution

7. Presentation of the budget submitted by the services company Holiday Club Canarias Resort Management S.L. for rendering services to the resort and unit holders in 2018 and its approval, as the case may be
8. Appointment and/or renewal as appropriate, of the Chairman of the Holders' Association
9. Appointment and/or renewal as appropriate, of the Vice-chairman of the Holders' Association
10. Appointment and/or renewal as appropriate, of the Secretary of the Holders' Association
11. Questions and answers
12. Granting of powers to implement and to remedy the resolutions passed, as the case may be

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 1st December 2016 were drafted according to the law and the authorization granted by the holders and approved by the Chairman and Secretary. The Secretary informs that the minutes were uploaded into the webpage www.hccanarias.com

The Chairman states that the Minutes were prepared duly after 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 comments or remarks to the minutes are made. The minutes are thus acknowledged by all attendees and no additional comments are made.

The Chairman explains that some questions and comments have been forwarded to him before the meeting in connection with issues discussed in the previous meeting and regarding some other issues. Ms. Charlotte requests that a quicker implementation of the decisions passed, such as the decision regarding the defibrillator. Mr. Picón informs that the defibrillator is already installed, staff will receive the training in December and it will be operational in a few weeks.

Mr. Hamblton asks about the decisions passed last year and about the members that were not present. Explanation is given by the Secretary as regards the fact that the minutes were published, and a 30-day term was given to members so that they can submit comments or rejections to the decisions passed. No member sent any notice stating that they did not agree to the decisions passed.

Mr. Hambleton also questions if the decisions passed in December 2016 implied a change to the contracts of each client. The Chairman explains that the decisions were passed by the Association and they do not affect any contractual terms of the existing contracts. The option to exit in 2048 was just an option given to the clients, and they can make use of it if they wish so.

Mr Leverett states that he thinks that HCC SM and OPCA Sweden or OPCA Denmark have so many votes that they can take by themselves any decision and he has no possibility to influence the vote. The Chairman

states that HCC SM has same right to vote as every other member, as it pays its maintenance fees; however this company voted in the decisions of December 2016 together with the majority of the votes of the members attending the meeting, so that HCC SM did not influence any decision. Regarding OPCA Sweden and OPCA Denmark, it is a fact that they have worked and obtained the trust of many members that have delegated their vote to them. It is a principle of democracy and that the decisions are passed by the majority of the votes. Mr. Bjarne Gregersen of OPCA Denmark states his surprise that he is being challenged for having the representation of many members. Every single member that he represents has the same right to vote as any other member and the fact that they have delegated the votes to him is because he has worked on that and he represents and defends their views.

Further questions will be addressed in the relevant item of the agenda on questions and answers.

2. Report from the Administrator Holiday Club Canarias Resorts Management S.L.U. on the year 2017

The Chairman updates on the developments of year 2017. The Chairman addresses the following issues:

(a) Decisions passed by the General Meeting of December 2017

Last meeting approved the relevant decisions in order to adapt the schemes in the Club to the 50 year rule and a right has been granted to all Holders to exit in 2048. The decisions have been incorporated into a public deed and they will be submitted to the Land Property Registry.

(b) Challenges of contracts

Regarding contracts signed after 1998 and before 2012 the Supreme Court is still declaring some of them void, though the Supreme Court has confirmed that clients have to pay the maintenance fees and they have to pay for the use of the weeks according to the time that they have been members.

(c) Insolvency of Puerto Calma Marketing S.L. and of Vista Amadores S.L.

These companies stopped their timeshare operations in 2011, they are non-operating companies and are facing many claims from clients. Because of the claims received, those two companies have filed for insolvency and the court has already declared the companies in insolvency ("*concurso de acreedores*"). The Chairman states that the filing of bankruptcy does not affect any contractual rights of clients that bought from those companies. In his opinion this insolvency process will drag on for a substantial period of time. Any new claims addressed to those companies will need to be dealt with by the Commercial Court. If the companies are finally liquidated, the assets of the insolvent companies will be liquidated and the proceeds distributed among the creditors. It is more than likely that they will not have sufficient assets to pay their debts. Mr. Elejabeitia intervenes in the debate and would like to state for the minutes that in his opinion the "insolvency filed by those two entities may be possibly fraudulent". The Secretary states that the insolvency has been requested by those companies because of the financial pressure put on them by the claims and that a court has declared it so that the Court has acknowledged the status of insolvency. The Chairman states that each member thinking about going after those companies should seek for his/her own legal advice, but in his opinion starting

claims against an insolvent company is probably not the best recommendation. An insolvent company in Spain or elsewhere means that the company cannot pay its debts. The Chairman finds it his obligation to inform on the aforementioned insolvency proceedings to report it to the clients, as he has done so transparently for the last few years regarding the rulings from the Supreme Court, and mentions that any client is free to do whatever he deems fit.

(d) RCI Gold Crown

All resorts managed by HCC RM in Gran Canaria, including Club Puerto Calma have achieved the gold crown status for 2018

(e) Wi-Fi in the resort.

Capacity of the Wi-Fi has been increased.

Mr. Mark Hambleton asks if there are still restrictions on the number of devices. Mr. Miguel Juliá informs that restrictions remain to 4 devices for a 1bed apartment and 6 devices for a 2-bed apartment to avoid the use of too many devices in one single apartment, thus affecting the speed.

(e) TV Channels.

A client puts forward a question on the TV Channels and he particularly asks for having access to the Norwegian sender NRK. The Chairman answers that he hopes that with the increased Wi-Fi capacity, clients will be able to watch their favourite channels using their own devices. He reminds the members of the difficulties for installing legally satellites and receivers of foreign broadcasters.

The report by the Chairman is acknowledged by the attendees. Some holders attending the meeting raise some comments. The Chairman welcomes these questions and he elaborates on them. He further makes reference to the questions submitted by the holders 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 devoted for further questions.

3. 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 2016 the available money in the bank account for the renovation fund was 100,989.98 Euros. As per 2017 budget, the total contribution for the renovation fund was agreed to be 65,867.52 Euros. In accordance with the authorisation granted in last year meeting, the Services Company has used some of the available proceeds throughout 2017 in order to carry out investments. An amount of 40,240.81 Euros has been invested so far in following concepts: upholstery, electrical appliances, shower glass, mattresses, parasols, etc.

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

Accordingly, and subject to any further investment decision, the total amount that will be available as of 31 December 2017 is estimated at 126,614.69 Euros.

Several questions are posed as regards the replacement fund, which are summarised as follows:

- (a) Mr. Mark Hambleton suggests including the fire extinguisher inspection costs in the budget, not in the replacement fund. Mr. Lucock says that it is valid point, although it is a variable cost as legislation changes.
- (b) Ms. Andersson asks why some regular purchases are included in replacement fund, e.g. mugs. Mr. Picón explained that this is a new item, which was never in the apartments but it requested by many members. Therefore, as a first/time purchase, it comes out of the replacement fund. Further purchases, when broken, will come out of maintenance fees.
- (c) Ms. Andersson says that the wording of “Replacement fund” is a bit confusing and that it could be better named “Investment fund”.

A debate starts regarding the need to build a proper fund for accomplishing renovations in the future. Mr. Niels Braathen states that the replacement fund, as he understands it, should be devoted to build up monies for future extraordinary refurbishments. He proposes to include a specific additional fee amount in the yearly maintenance fee which should be used only for those extraordinary refurbishments. Ms. Andersson on behalf of OPCA Sweden also requests the management company to think about building a separate fund to the Replacement Fund which would build up monies for future investments.

Regarding these requests, the Chairman states that, as the budgets are already published, he thinks it is not wise to increase the maintenance fees this time for accumulating monies for such “Investment Fund”. This is an issued that can be discussed at the next General Meeting.

In the 2018 meeting an update as regards the use of the renovation fund will be provided, if applicable.

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 2018 and future years, acknowledging that a full report will always be provided to the Holders Association. The Vice-Chairman states that he would like to think about investing in 2018 in order to improve the cooling units so that the apartments would have better air conditioning. The members attending agree that this is an investment required.

A voting takes place and all holders vote in favour. No holder 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 2018 and future years in order to devote the funds to any reparation or renovation purposes.

4. Report of the Services Company on the Statement of Income and Expenditure of the Holders' Association for 2016

The Chairman explains to the holders that a Statement of Income and Expenditure for the whole year 2016 has been prepared. Mr. Roberto Picón explains the Statement and the total amount of actual expenses incurred in that period. The Statement of Income and Expenditure is shown in the screen. The main conclusions are as follows:

- (a) The budget approved in 2015 for year 2016 forecasted a total amount of expenses for 2016 of 1,715,410.23 Euros.
- (b) The actual level of expenses to third parties amounted to 1,663,629.82 Euros.
- (c) The actual level of collected maintenance fees in 2016 amounted to 1,663,794.85 Euros.
- (d) The amount of uncollected maintenance fees of 2016 was 51,615.38 Euros.
- (e) As result, there has been a surplus of 165.03 Euros. Mr. Picón explains that the surplus has been taken as a positive figure in the budget for 2018.

The following questions are posed by the attendees:

- Mr. Leverett poses some questions regarding the costs associated with the Pool analysis. He notes that there were costs involved in this last year but nothing has been included in this year. Mr Picón explains that a Contract was signed with a chemical products provider and that they carry out and bear the costs of the pool analysis control once a month, according to law. Daily control of the pool is done by maintenance staff. That is the reason why there is no extra cost for these analyses
- Mr. Leverett asks about the caption "Other Costs". Mr. Picón shows on the screen the split of these costs.
- A question is posed by Mr. Hambleton in connection with the postal costs and particularly whether the maintenance fee invoices could not be issued and sent by email in order to avoid the related costs. It is agreed by all attendees that this procedure would be the best and most cost effective, but not all clients have e-mail. The Association is already saving costs out of the decision passed not to mail the minutes but rather to have them published on the web; this has already reduced these mail costs. However as per the members database not all clients have emails and trying to sort manually who and who not has email would be more time consuming, although the option will be looked into.
- In this regard it is also asked whether a single invoice could be issued for those members owning several weeks. It is answered that unfortunately the IT system used is not that flexible and clients holding several weeks under different contracts still get separate invoices.
- Mr. Hambleton asks why a caption for CCTV was included in the budget and it is also included in other costs. Mr. Picón explains that it was not in the budget for 2016 so it features in other costs, but CCTV is now included as a separate budget line for 2017.
- Mr. Leverett asks why consultancy for cleaning and chemicals are included in other costs. Mr. Picón answers that it happens here the same as regarding the CCTV: it was not included in the budget 2016 so it was in other costs, but it now features as a separate line in budget 2017.

No further questions were posed.

A voting takes place and all holders vote in favour of acknowledging the Statement of Income and Expenditure of 2016. No holder raises any objection or wants to abstain. Therefore the following resolution is unanimously passed:

- ⇒ The Statement of Income and Expenditure of 2016 is acknowledged and approved.
- ⇒ The management and the services carried out by the Services Company are also approved.

5. Report of the external auditor of the Statement of Income and Expenditure of the Holders' Association for 2016

The Chairman introduces this point of the agenda and explained the audit analysis carried out by the auditor RSM Gassó. The audit analysis is referred to year 2016. The report is shown on the screen in Spanish and English. A full copy is available in the web page www.hccanarias.com.

It is explained 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 2016;
- (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 the Club is in line with the accounting of Holiday Club Canarias Resort Management S.L.U.;
- (e) The amount of expenses allocated to the Club 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 Holders Association.

Ms. Andersson asks whether if members have questions on the audit report, they could directly contact the auditing company. Mr. Picón answers any member can pose specific questions but for organising the contact they could be channelled through him. Mr. Lucock indicates that the audit company will be invited to the meeting next year if fits within their schedule and if is at no extra cost.

The Chairman asks the attendees whether they wish to continue with the external auditing or would rather prefer to stop it and eliminate thus the costs. Costs are between 4,000 Euros and 5,000 Euros every year divided amongst the 5 resorts.

It was agreed by all attendees to continue with the audit.

The audit report is thus acknowledged by all attendees and no additional comments are made.

There is a request by one member that the auditor comes next year to the meeting and presents the audit report. The Chairman answers that he will look into this since it makes sense and he will ask them to come.

6. Report on the repossession by developer of weeks of holders in default. Prorogation of the 2011 resolution

The Chairman asks Mr. Roberto Picón to explain the measures carried out during 2017 for repossessing the weeks of holders in default in the payment of maintenance fees. Mr. Roberto Picón shows on the screen a report on the repossessions during 2017.

The Chairman adds that there has been generally a decrease in bad debt in the last years in comparison with previous years. Mr Picon shows on the screen the evolution of delinquency during the last 5 years. Delinquency in 2012 reached 35.28% and the actual percentage for 2017 is 4.29%.

The Chairman requests that previous resolutions acknowledging repossessions by Holiday Club Canarias Sales & Marketing S.L.U. against the payment of current year maintenance fees are renewed for future years, as readiness by Holiday Club Canarias Sales & Marketing S.L.U. to continue repossessing is strictly subject to this condition. The Chairman highlights however that there are no repossessions forecasted or budgeted for the year 2017.

The Chairman requests that the 2011 resolution is extended for subsequent years in the event of repossessions.

A voting takes place and all holders vote in favour. No holder raises any objection or wants to abstain. Therefore the following resolution is unanimously passed:

- ⇒ Holiday Club Canarias Sales & Marketing S.L.U. 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.U. the outstanding maintenance fee for the year when the repossession takes place.

7. Presentation of the budget submitted by the services company Holiday Club Canarias Resort Management S.L. for rendering services to the resort and unit holders in 2018 and its approval, as the case may be

Mr. Lucock asks Mr. Picón to present to the holders the budget submitted by the services company Holiday Club Canarias Resort Management S.L.U. to the Holders Association to provide services to the Holders in 2018. The budget includes a grand total of 1,826,663.88 Euros, including an amount of 75,000 Euros as bad debt provision. This budget proposal includes the total amount to be paid by all holders of weeks to Holiday Club Canarias Resort Management S.L.U. as consideration for the services the company will provide during the year 2018 pursuant to the standards based on which have been prepared for the corresponding budgets.

Mr. Picón explains the budget to the Holders. The outcome of the budget is that the maintenance fee payable by the Holders in 2018 will increase by a 0.50% in comparison to the maintenance fee payable under the budget of 2017.

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).

The Chairman asks whether the attendees have any objection to the budget. No holder raises any objection to the budget or wants to abstain. All holders show their conformity with the budget so that the budget is unanimously approved and the maintenance fees to be paid by each holder are approved. Therefore the following resolution is unanimously passed:

- ⇒ The budget submitted by the Services Company and Administrator for 2018 is approved, with following additional measures:

- The Services Company will charge the total of the maintenance fees to the holders, splitting the total of the budget among the Holders;
- Payment of the maintenance fees shall be made before 15th February 2018;
- Non payment of the maintenance fees on time will trigger a penalty as per the by-laws of the Holders Association.

Mr. Bjarne Gregersen requests that the maintenance fee invoice is not sent until the minutes of the meeting are finished and uploaded. The Chairman confirms his understanding with this request.

In connection with the 2018 budget, a report is given as regards the balance of the loan granted by Holiday Club Canarias Sales & Marketing S.L.U. to the Holders' Association for the deep maintenance works of 2012. As everybody knows, Holiday Club Canarias Sales & Marketing SLU granted a loan of 500,000 Euros to the Holders Association for financing the deep maintenance works of 2012, to be repaid out of the budgets in subsequent years. The amount to be paid in 2018 will amount to 93,367.90 Euros, and this is the amount foreseen in the budget.

As of today the repayment of the loan has been done as follows:

- (i) Repayment in 2013: equivalent to 5% of Total Expenses budgeted for 2013. It amounted to 83,033.09 Euros;
- (ii) Repayment in 2014: equivalent to 5% of Total Expenses budgeted for 2014. It amounted to 81,212.33 Euros; and
- (iii) Repayment in 2015: equivalent to 5% of Total Expenses budgeted for 2015. It amounted to 81,165.39 Euros.
- (iv) Repayment in 2016: equivalent to 5% of Total Expenses budgeted for 2016. It amounts to 81,686.20 Euros.
- (v) Repayment in 2017: equivalent to 5% of Total Expenses budgeted for 2017. It amounts to 79,535.09 Euros.

Taking into consideration those repayments, it is acknowledged that the outstanding amount due to Holiday Club Canarias Sales & Marketing S.L.U. as of the 30 November 2017 amounts to 93,367.90 Euros. And this is the amount which will be paid in 2018. The Vice-chairman points out that the budget for 2018 includes a repayment of 93,367.90 Euros and after this repayment, the loan will be fully repaid.

The Chairman reminds that the loan was interest free. It was a loan granted for the refurbishment of common areas.

The Holders unanimously acknowledge the situation of the loan.

8. Appointment and/or renewal as appropriate, of the Chairman of the Holders' Association

Mr. Calvin Lucock is re-elected as Chairman of the Holders 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.

9. Appointment and/or renewal as appropriate, of the Vice-chairman of the Holders' Association

Mr. Roberto Picón is re-elected as Vice-Chairman of the Holders 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 2017, which is confirmed by all attendees.

10. Appointment and/or renewal as appropriate, of the Secretary of the Holders' Association

Mr. José Puente is re-elected as Secretary of the Holders 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 2017, which is confirmed by all attendees.

11. Questions and answers

The Chairman introduces the questions and motions raised by holders that have been sent in writing to the Administrator before this meeting.

1) Mr. Lennart Karlsson on behalf of OPCA Sweden has submitted the following questions:

1. They would like to request that the Holders association prohibits Holders to rent their weeks to third parties.

The Chairman answers that members are free to rent their weeks to whom they choose. HCC SM also offers a rental program for Holders where they can deposit their weeks with HCC SM, and not pay the relevant yearly maintenance fees. Since the introduction of this program, there have been over 1,000 weeks deposited by Holders.

2. Translation of sales documents and contracts

The Chairman explains that this is an issue not related to the Holders Association. He however provides an answer to those present on the issue. All contracts being used by HCC SM have been revised as of October 2017 and translated documents will be used in 2018.

3. Implementation of a regular quality follow up

Reference is made to the comments and proposals sent by Mr. Rolf Enquist, Mr. Gösta Nilsson and Mr. Lennart Karlsson in the last two meetings held in 2015 and in 2016 which were reflected in the minutes. They have proposed that a yearly procedure for a quality follow-up of the apartments is implemented.

The Chairman explains that the Services Company has as a standard proceeding to check the status of each unit and its inventory. Every week after a client has left a unit, the status is checked. If clients have broken or taken any asset, the relevant asset is replaced though depending on the type of asset its replacement may take some days. Reality is that clients tend to report any accidents affecting the units or the inventory. Accidents are dealt on a case by case basis and they are reviewed. If the Services Company understands that the client is liable then the costs are charged against the deposit.

- 2) An attendee wonders about the reservation of sun beds from early morning without those sun beds being used until later, which leads to other clients not being able to use them. Mr. Picón acknowledges the problem. The only solution would be to put signs asking clients not to do so, as employing someone for overlooking this will imply incurring in additional costs.
- 3) Mr. Mark Hambleton highlights that, with regards to the long term luggage storage, there is no control if key is given and anything can be taken out. Mr. Lucock mentions that this is inherited issue and it is a service that is there but that is not controlled. The current Administrator does not really want to continue providing this service for several reasons such as logistics, liability, insurances, control, security measures, taking up space, etc. It involves costs. Mr. Picón says that the resort has contacted with two companies specialised in providing these services. Storing a big suitcase for one year will cost approx 40 Euros and they have proper storage and control measures.
- 4) The Chairman mentions the possibility that overnight reception services to other resorts managed by HCC RM could be provided (being available on call) from the resort in Club Puerto Calma so that efficiencies are achieved and costs are reduced to all resorts, including Club Puerto Calma since there will be a split of the costs of having the reception open during the night. General consensus is that it is good to reduce costs but not to lose on services. Finally it is agreed that a proposal on this issue will be presented next year.
- 5) Administrator of the Holders Association. It is explained that Holiday Club Canarias Resort Management S.L. was appointed in 2011 as administrator and manager of the Association in order to manage the resort and the Association. This appointment continues in place.

All attendees acknowledge the questions and the answers given.

- 6) Mr. Lennart Karlsson on behalf of OPCA Sweden have submitted the following questions and comments:
 - a. To install a changing room in the pool area. The Vice-chairman explains that during the year he will find a solution and it will be probably in the toilets putting a bench in them for allowing clients to change.

- b. Status of implementation of defibrillators. It is answered that they are installed and training will take place between 26 and 29 December 2017
 - c. Mr. Karlsson states that he is now happy with the solution implemented by the Services Company in the Reception so that luggage can now be left there behind the desk. He thanks the Services Company for looking into this.
 - d. Mr. Karlsson has also sent a comment showing his satisfaction with the measure implemented to improve storage in the apartments, most specifically the fact safety deposit box has been moved to create more space and new hooks are available in the bathrooms
- 7) Mr. Roy Stovell has submitted a follow up question on the gym in Club Puerto Calma. The Vice-chairman states that new equipment has arrived for the gym and it is being installed.
- 8) Mr. Bjarne Gregersen raises the following issues:
- a. The pool of Club Puerto Calma is not blocked by the diving school training. Mr. Picón explains that the company renting the small premises organizes diving training in the morning when the pool is not yet visited. The diving school is currently allowed to use the pool from 9 to 11. After a certain debate on this, the Chairman states that they will speak to the company and asked them to start the diving training a bit earlier in order to avoid coinciding with the moments when clients use the swimming pool. They will be asked to change the timetable to start at 8:00 until 10:00.
 - b. He also asks whether it would it be possible to have cushions or mattresses on the sun beds. The Chairman answers that he will ask the Services Company to look into this.
- 9) A UK member asks whether it would be possible to have an extra washing machine in the laundry. Mr. Picón explains that currently this is a service offered by a third party. Mr. Picón explains that it would be possible to terminate the contract with the current supplier, and in-source the service through purchasing two or three washing machines. He will look into this issue. A possible solution would be to install a few washing machines that will be owned by the Association and make available washing soap tablets at a low cost at the reception.
- 10) Mr. Leveret comments that the massage tent has been located in the non smoking area, taking up most of that area. He thinks that it has taken many years to have the non smoking area and now it is used partially by the massage tent. He requests that the massage tent is moved down stairs. Mr. Bjarne Gregersen and Mr. Kveld Hviberg support the motion. The Chairman and the Vice-chairman agree with the request and state that the tent will be moved downstairs.
- 11) Mr. Bjarne Gregersen asks for the bar in Club Puerto Calma and he wonders whether it could be open. The Chairman answers that the as a matter of fact it is a difficult location for a bar. It does not make any money and therefore it is difficult to find a person for running it.
- 12) A UK client asks whose responsibility it is to ensure that apartments are equipped and each of them has 4 cups, 4 plates etc. The Chairman answers that the Services Company checks the equipment regularly but that if any client detects any issue, they are welcome to report if something is missing or broken. It is the Club's responsibility to replace any equipment when needed.

- 13) Mr. Leverett comments that there are many tiles in the pool area that are cracked. Mr. Picón mentions that tiles will be replaced by a similar tile, as current model is no longer available. Many of the tiles have been cracked due to dragging the heavy sun umbrella bases from one place to another.

The Chairman expressly thanks the holders attending the meeting for giving up part of their holidays and spending the time at this meeting deciding issues which affect all holders, and he particularly thanks the representatives from OPCA and Mr. Nils Braathen for their contributions to the meeting.

12. Granting of powers to remedy the resolutions passed, as the case may be

The Secretary explains that it is convenient to foresee the possibility that the above resolutions may need to be remedied, provided it is always in the necessary terms as to implement the resolutions passed not to change them. Therefore the following resolution is passed:

- The Holders Association grants powers of attorney to the Chairman Mr. Calvin Lucock, to the Vice-Chairman Mr. Roberto Picón and to the Secretary Mr. José Puente, so that any other, acting on their own and on behalf of the Holders Association may appear before a Spanish Notary and grant a public deed raising these resolutions to public deed and submitting them for registration to the Land Property Registry.
- The Holders Association grants powers of attorney to the Chairman Mr. Calvin Lucock, to the Vice-Chairman Mr. Roberto Picón and to the Secretary Mr. José Puente, so that any other, acting on their own and on behalf of the Holders Association may take on behalf of the Holders Association any necessary step as to remedy and cure any of the resolutions passed in this meeting, provided no change such remedy or cure does not alter the sense of the resolution.
- For the above 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.

13. Approval of the Minutes

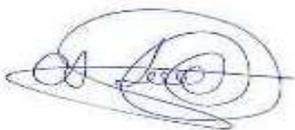
According to the terms of the law, the minutes will be prepared by the Secretary and once they are ready, the Minutes will be signed by the Chairman and the Secretary of this Meeting.

These minutes will be uploaded into the webpage www.hccanarias.com and will be made available to all holders. In accordance with Spanish law all holders that have not attended in person to the meeting are informed that, in line with previous years, they have the right to express within 30 days their discrepancy as regards any of the resolutions passed in this meeting once that they receive a copy of the minutes with the wording of resolutions. If they wish to raise any discrepancy with the voting they should remit it in writing by registered mail (or any other mean that provides proof of remittal) to the attention of the Secretary of the Holders' Association of Club Puerto Calma at the email address customerservices@hccanarias.com. If no

written discrepancy is received within a period of 30 days, it will be considered that they agree and consent to the resolutions passed and their relevant votes will be counted as part of the votes voting in the same sense as the resolution passed in the meeting. If any written discrepancy is sent, this will be reflected in an addendum to the minutes that will be uploaded in the webpage www.hccanarias.com.

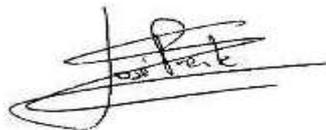
Powers are granted to the Chairman, Vice-chairman as well as to the Secretary so that, should it be necessary, any of them may, indistinctly, in the name and on behalf of the Holders Association, execute the aforementioned resolutions and particularly in order to issue a certificate of the resolutions 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, 30 November 2017 at 14:00.



THE CHAIRMAN OF THE MEETING

Mr. Calvin Lucock



THE SECRETARY OF THE MEETING

Mr. José Puente