

**MINUTES OF THE COMBINED ANNUAL GENERAL MEETING OF
LOS CLAVELES TIMESHARE COMMUNITY 1 AND
LOS CLAVELES DEVELOPMENT OWNERS ASSOCIATION**

Held on Sunday 1st May, 2022

In Coombe Abbey Hotel, Coventry, United Kingdom, at 10:00 hours of May 1st, 2022, and on second call, the Annual General Meeting is held, duly convened by means of individual calls sent to all owners. Mr. Roger Barrow chairs the Meeting, and Wimpen Leisure Management, S.A. acts as Secretary.

There being a quorum at second call of 472 owners (142 owners without voting rights), either in person or by proxy, with a total of 2,505 weeks (334 weeks without voting rights) and a participation coefficient of 49.2571%, it is understood that the meeting is legally convened and commences at 10.00 a.m., according to the following:

AGENDA

- 1. Approval to record the meeting, with all the recorded material remaining in the Administrator's custody.**
- 2. Presentation of the Administrator's Report.**
- 3. Approval of 2021 Accounts.**
- 4. Approval to use 245,000€ from the Community Sinking Fund for the renewal of 20 villas of Community Los Claveles.**
- 5. Approval of Budget for 2022.**
- 6. Venue for 2023 Annual General Meeting.**
- 7. Any other business.**

AGREEMENTS

1. APPROVAL TO RECORD THE MEETING, WITH ALL THE RECORDED MATERIAL REMAINING IN THE ADMINISTRATOR'S CUSTODY.

This item is put to vote and approved by the majority with 2056 votes in favour, 193 against and 3 abstentions.

2. PRESENTATION OF THE ADMINISTRATOR'S REPORT.

This item is not subject to vote.

3. APPROVAL OF 2021 ACCOUNTS.

The item is put to vote and approved by the majority with 2067 votes in favour, 180 against and 5 abstentions.

4. APPROVAL TO USE 245,000€ FROM THE COMMUNITY SINKING FUND FOR THE RENEWAL OF 20 VILLAS OF COMMUNITY LOS CLAVELES

This item is put to vote and approved by the majority with 2063 votes in favour, 180 against and 9 abstentions.

5. APPROVAL OF BUDGET FOR 2022.

The item is put to vote and approved by the majority with 2063 votes in favour, 186 against and 3 abstentions.

6. VENUE FOR 2023 ANNUAL GENERAL MEETING

It is agreed to find an alternative location for next year's AGM, which shall be notified to all owners in due time.

7. ANY OTHER BUSINESS.

Mrs. Parkinson does not agree with the renovation of Los Claveles Villas, which she thinks is unnecessary, as proven by the rental income and the points awarded at RCI.

Mr. Castro thanks Mrs. Parkinson for acknowledging the good results obtained, as a result of the efforts made by Wimpen management and team. He says that the renovation was requested by hundreds of owners, who are tired of the conflict and want to see their villas renovated, and that it will be the owners (and not the Cub Committee) who will decide at this AGM if the renovations go ahead or not.

Mr. Fletcher asks if all owners have been convened to the AGM, as he knows for a fact that is not the case.

Mr. Castro confirms that all owners were convened, at their respective recorded addresses, and that he can legally prove this has been done. He goes on to say that if any owners have changed address and without notification, the call has been sent to the address recorded on our data base. This task is carried rigorously and in full compliance with the law.

Mrs. Foulds has several questions for Mr. Fletcher. She asks why he refuses to call the Club SGM, requested by the majority of members, even if only 20% of them would be sufficient according to the Club Constitution.

Mr. Fletcher replies that the same question was asked at the previous meeting, and that in order to call a meeting the Club must be in possession of the data base. Wimpen has been ordered by the Court to deliver the data base to the Club but have not obeyed the order. He says that the intention is to call a meeting when the Club is in possession of the registry of members, and after that registry has been verified.

Mr. Castro takes the floor to give clarity to certain points, as Wimpen has been mentioned. He is surprised that the Club is not calling a GM when three meetings were convened in the past, two in 2017 and one in 2018. He says he does not understand how meetings were called without the data base and now the Club argues that it cannot be done because they do not have the data base. This means that in the past GMs were convened in the Club's interest, and right now they are not. He reminds Mr. Fletcher that, at the time of calling those meetings without the data base, Wimpen notified them of the illegality, which was ignored. Such illegality has been confirmed by an arbitrator.

For the sake of clarity, he says that it is true that at the first arbitration it was requested that Wimpen delivered the data base to the Club, but the Club was told, repeatedly, that until a Spanish judge ratifies the arbitration and its measures, Wimpen cannot deliver the data base without breaking the applicable law.

Mr. Castro says to Mr. Fletcher that in order to call the AGM or SGM as requested by the owners, it was suggested that the call is made by a third entity different from the Club and/or Wimpen, such a Notary Public, Judge or auditing company, and that such entity would supervise the vote and the AGM, in a completely impartial manner without the intervention of Wimpen or the Club or you as President, to which you have refused to this date.

Mrs. Foulds asks Mr. Fletcher why he is continuously wasting the Club members' money in court cases which are lost one after the other. She says that Mr. Fletcher has not covered the costs of the litigation and never asked for the owners' authorization. It is true that the Statutes give Mr. Fletcher the power to take legal actions, but he does not have the members' authorization for this type of expenditure, that is affecting our finances.

Mr. Fletcher says that Wimpen was ordered to deliver to the Club all the property, including the data base and that they acknowledged at the original court hearing, in fact called arbitration, that WimPen were no longer the Club administrators. They were ordered to deliver all the property, including the keys to the apartments, including everything. They have repeatedly refused to comply. In fact, 85% of the complex is property of the Club, and the constitution is the legal document of application, not the DOA. The DOA has no legal representation with regards to the Club. The main document is the Constitution. 85% of the complex is the property of the Club, and therefore the Club has its own administrator.

Mrs. Foulds says to Mr. Fletcher that he has not replied to her question. She asks what it is he wants exactly, as it seems to her that Mr. Fletcher does not care about Los Claveles, and maybe he would like to see Los Claveles ruined.

Mrs. Gladwell says that the owners support Wimpen as expressed by their votes. She asks Mr. Fletcher why the Club is not calling an AGM/SGM where all owners may decide and not just you and the Club Committee.

Mr. Castro says that as Mrs. Foulds just said, her question was not answered. You as Club President never asked for the Club's authorization and was never authorized to use the Club's funds. Like Mrs. Foulds said, the Constitution authorizes the President and the Committee to seek an arbitration process and to take legal action, but that does not mean that you or the Committee may initiate legal proceedings for hundreds of thousands of pounds, like you did, putting the Club's finances at risk. He goes on to say that another point Mr. Fletcher must correct is that you filed for the first arbitration arguing that the Club Committee had cancelled the contract, and that it had been voted at 2015 AGM. The arbitration resolution determines that you as Committee and the AGM were not entitled to unilaterally cancel the contract which was in force until its expiry date. However, you started an arbitration process, without any chance of succeeding, as we informed you at the time. You say that Wimpen did not deliver Claveles to you. Let me tell you that Wimpen does not have to give you ownership, as it belongs to the Community. Mr. Castro goes on to say that Wimpen are not the owners of the property, and that he believes Mr. Fletcher is mistaken. He asks him to seek their legal counsel's advice. Besides everything else I repeat, Mr. Fletcher, that Wimpen's exit from Los Claveles is not to be determined just by arbitration, it is a more complex matter, since the title deed and DOA are managed by Wimpen. All Los Claveles employees are hired by DOA, supplies, services etc., and therefore all must be agreed at and AGM, and agree on the exit process, which is something you never wanted to do, you want to live off the conflict.

Mrs. Foulds asks Mr. Fletcher provide more information about Club Los Claveles Limited, to which the Club's property, assets, and rights, are being transferred and which in return is collecting service fees. Who owns the company? Who is the actual owner of the funds deposited? If the company's assets are seized by a bank, who is the owner and who authorised it? Nowhere in the statutes and laws do you have the right to create a company and transfer property and money from the club.

Mr. Fletcher replies that with regards to Club Los Claveles Limited, this is a company registered at the Companies House under our lawyers' advice. Lawyers advised the Committee about the need to use companies and do other things in the resort, lawyers advised us to do it because it was the best way to guarantee any funds paid to the Club.

Mrs. Foulds says once again that he has not replied to her question about who owns the company. Who is the legal representative and who is the legal owner of the funds received by that company?

Mr. Castro says that Mr. Fletcher as President and the Club itself are not authorized to create a company. He is authorized by the Constitution to hire minor companies or services, like an ordinary services contract, but not for the incorporation of a company to collect the Club's money or to hold the Club's property, this is illegal and it is outside any legal criteria to transfer the Club's property and money to a company without the owners' authorization.

Mrs. Foulds asks Mr. Fletcher if he can guarantee all owners present that the maintenance money received by the Club along the years is maintained in a safe trust, and has not been spent inappropriately, as he is not authorized to spend those funds.

Mr. Fletcher replies that all funds are safely in custody and only spend appropriately.

Mrs. Gladwell asks Mr. Fletcher when will the owners receive the accounts in relation to funds collected, to which they are legally entitled.

Mr. Lear takes the floor to say that quite a few statements have been made recently with regards to the bar and entertainment. There seem to be different opinions about entertainment in the pool at lunch time. Mr. Lear says that maybe at a future meeting it can be discussed if owners want entertainment at lunch time, in the evening, or a combination of the two.

The President asks Mrs. Ana Martín to reply to this issue, as he is aware that a meeting was held recently with the bar's tenant to discuss this matter.

Mrs. Martín confirms that complaints have been received about the loud music around the pool area. As all owners know, the restaurant was closed during the pandemic. This situation, together with low occupancy in the complex has created difficulties for Stacey (the bar's tenant) for the last two years, when she has been trying to make money and give the service to the community at the same time. She has been trying to attract customer to the bar terrace in the evenings. At the recent meeting, and in order to address the complaints about the music, not just from the apartments but also around the pool area, it was agreed that the music would be moved upstairs and to open up the bar area.

Mr. Lear asks if this means that entertainment is suspended at lunch time, to which Mrs. Martín replies it is.

Mr. Lear says that in his experience at the complex last year there were lots of comments about the difference in the community, with people gathering and enjoying the lunch time entertainment. He thinks it would be a shame to completely lose it.

Mr. Jose Abad introduces himself as the owner of Arpa, he is a Spanish entrepreneur with several companies that invest in timeshare at different resorts. Usually, he is represented by others at such meetings, but this time he is attending in person, as fake news about himself and his company have been spread around. He says his name is José Abad, and invites all to visit his company offices if they are in Málaga. His is a real company, investing in many different businesses. He goes on to say that he owns a large number of weeks in Los Claveles, that he knows the resort well, and that he is happy with Wimpen. He lets his weeks out, makes money in the process and wants the best for Los Claveles. He thanks Wimpen and is

grateful that the proposal for renovation of the villas has been approved. He speaks to Mr. Fletcher and the Club Committee when he says that what they have told about his company being a ghost company or part of Ona is completely false.

One of the owners present ask Mr. Abad if his company is part of Wimpen or related to Wimpen in any way.

Mr. Abad replies that his company is his own's, not part of Wimpen or anyone else, and that this can be confirmed by the Mercantile Registry at any time.

One owner in attendance asks Mr. Abad if he pays his weeks' maintenance fees.

Mr. Abad says that he pays his weeks' maintenance fees every year. That he has bought the weeks and pays the annual maintenance fees.

Mrs. Gladwell says that some owners have given her a letter to be read out loud at the meeting. She says it's from some people who have owned property in the complex since 1994 and that many of the owners in attendance may know them well. It's Richard and Marilyn Fry.

With the President's authorization, Mrs. Gladwell reads the letter out loud:

"Thank you for offering to read our letter to the AGM. As you know, we are celebrating our 50th wedding anniversary in Edinburgh. First of all, we would like to thank Roger, Keith and all the team that looks after Los Claveles for us and makes us feel welcome during our stay. We would also like to thank Mr. Castro and his colleagues for their guidance over the last two years. It has been a very difficult time for all, and it was wonderful to be able to return to our charming complex once again. We also like to express our gratitude for the generous 50% discount granted by Wimpen during lockdown. We own property in the complex since 1994. We had been guests of other owners the previous year, and we loved Los Claveles so much that we went to the sales office and bought our weeks. How we holiday nowadays has changed beyond anything we might have guessed in the 1990's. Many of us thought that selling WimPen to Ona was a brilliant movement by Mr. Pengelly (God rests his soul), as it would allow us to move on, and years later there is no reason to change our opinion that Ona will take care of Los Claveles and that Mr. Castro and his team are honest and have good intentions. Without going through the whole damaging dispute, it was again clear at the SGM in January that only a few owners remain entrenched in Mr. Fletcher's ridiculous belief that he can run Los Claveles. The speeches made by the corporate owners gave us an idea of the extent to which the actions of a few have affected so many. It is now within our power to refresh our villas and get rid of a committee that has overstayed its welcome. We look forward to a good outcome today and send our best wishes to all."

Mr. Castro takes the floor to say that as Mr. Fletcher and the Committee may see, all proposals have been approved at this AGM by an overwhelming majority. Even after withdrawing "the corporate" VOTES as you call them, although I will say once again, they are fully entitled to vote, the result would be the same. The owners of LOS CLAVELES (Club and Title Deed) have voted to approve all the items of the AGM agenda. Therefore, you must realise that you are not entitled to speak on behalf of all the owners, who today have expressed that they do not agree with your position and the Committee's, by supporting Wimpen's management.

The President thanks all the Owners present for their attendance and adjourns the meeting at 12.30 hours of the date indicated at the heading, all of which i, the Secretary, attest.



Approved
THE PRESIDENT
Sr. Roger Barrow



The Secretary/Administrator
Wimpen Leisure Management SAU
p.p. Mr Germán Castro Pereira