

CLUB LOS CLAVELES

OFFICIAL CLUB MINUTES

Annual General Meetings of the Combined Club Los Claveles and The Los Claveles Timeshare Community 1 and the Los Claveles Development Owners Association held on Saturday 27 June 2015 at the Holiday Inn, Coventry, UK

Meeting Delay

Official Start Time 10.30 am

Mr. Pengelly opened the meeting at 11.35 and chaired the meeting at this point.

The Meeting commenced over one hour late due to insufficient and inefficient registering facilities. There was further delay due to there not being enough chairs and complaints from the floor that such an important meeting had been delayed. In reply to speakers questions from the floor Wimpen acknowledged that they were responsible for the inadequate registration and Mr. Pengelly apologised for the delay.

After a lengthy debate and calls from the floor, a vote was taken resulting in items 13 and 21 being moved up the Agenda to be taken after item 4.

Membership Register

At this point Mr Lovatt (Club and Escritura Member) raised issues in relation to the Membership Register. Mr Lovatt and other supporting speakers complained that Wimpen (Management Company) had denied the Committee proper access to the Register but they (Wimpen) had used the Register for telephone canvassing. Mr Lovatt called for a vote for the Register to be released to the Committee. Mr. Pengelly refused and was supported by Mr. Vint (Villas 100 36 43 Weeks 36, 37, 50, 51) who stated that a vote was not possible as it was not on the Agenda. Speakers continued to argue that the Register had been used by Onagrup and they did not have permission and the Committee had been denied access to the Register. Mr. Pengelly stated that Onagrup were registered under the Data Protection Act. **There was considerable dissent from the meeting** but Mr. Pengelly continued to refuse to hand the Register (Database) to the Club Committee.

Prompted from a speaker, The Top Table was introduced.

2. Adoption of the Combined Minutes

A proposal to accept the minutes as correct was made by Mr. Hyams (Villas 20, Week 1)

Secunder, Mrs. Curwood (Villas 78, 56, 62, 4, 2 Weeks 6, 47, 48, 49, 50)

There was considerable time spent totalling various votes that was causing disruption. After various comments it was **AGREED UNANIMOUSLY** to accept the minutes as **CORRECT**,

3. There were no matters arising from the previous minutes.

From this point the Club Chairman Albert Fletcher presided.

4. Club Chairman's Report

The Club Chairman Albert Fletcher welcomed everyone. He stated that Tellers would be required and called for volunteers.

The Chairman stated that Wimpen had sent his report to Owners but had not complied with his instruction to include the Chairman's report within the booklet. He had raised concerns with Wimpen regarding the Proxy Forms. The forms did not allow the proxy holder to vote on all matters where the Owner had not specified. The Chairman was supported on this by the Trustees and the Committee's UK Lawyer. The Chairman was then interrupted by Mr. Pengelly. Mr. Pengelly was informed that interruptions were not allowed but he could respond when the report was complete. The Chairman later stated that he required all the original proxy forms and the attendance register to be handed to him, so that a proper audit could be conducted.

The Chairman stated that he and Carol Parkinson had received outstanding support from Owners by giving them their proxy votes and it was the Owners' expectation that these votes were used to support the election of Carol Parkinson as President.

Mr. Pengelly was attempting to stop him and Carol Parkinson from using these proxy votes. The Chairman stated that he would use the votes in the way they were intended.

The Chairman had identified an issue regarding the Development Owners Association. He stated that if Carol Parkinson was elected as President she would also be the administrator and this would take back control of the Resort from the Management Company to the Owners. There was problem with the Agenda as it stated "Escritura vote only". In the last 25 years Club Owners

had never been informed that they had the right to vote for this part of the proceedings because they did have Escritura (deeds) which are held by the Trustees on the Club Owner's behalf.

The Chairman then attempted to move on to item 13. After some dissent from the floor the chairman apologised and reverted to taking questions and comments on his report.

Mr. Pengelly stated that he had not committed any errors in the setting out of proxy forms as he had done it the same way for 25 years. He had a duty as Administrator to ensure that things are done properly. Mr. Pengelly stated that it was true that they had not complied with the variations requested by Mr. Fletcher as Wimpen did not believe that Owners had agreed with these in the past.

Mr. Leggett (Villa 29 Week 47) stated that Mr. Pengelly had not argued about the form being presented incorrectly only that that he had done it this way for 25 years. Mr. Leggett stated that even if it had been wrong for all this time it needed to be changed. He supported Mr. Fletcher's view.

Mr. Blackburn (Villa 15 Week 13) stated that they came from Leeds because they did not understand the boxes for voting.

Mrs. Jamieson (Villa 33 weeks 7, 8) asked if there implications regarding the proxy forms.

Mrs. Parkinson, Committee Member replied that they had had around 15% of the votes (proxy) disallowed. The Chairman then called a halt to this debate and moved on to item 13.

13. Termination of Wimpen/Onagrup as Management company and Administrator

The Chairman, Albert Fletcher introduced this item. He stated that Carol Parkinson and he had responded to Owners who had contacted them. They both carried out their responsibilities as elected representatives and had no financial gain either now or in the future. Their only interest was doing their best for Owners.

The Chairman explained that Wimpen had sent a letter to Owners via the Member Register stating that Mr. Pengelly had sold his shares in Wimpen to Onagrup and that Onagrup would be taking over managing Los Claveles. Carol Parkinson was on the Resort at the time and reported to him that many Owners were upset as this was the first time they had heard anything about it.

There were many meetings on the Resort, over a number of weeks with unusually large attendances from Owners.

In March 2015 there was a presentation by Onagrup followed by a Committee Meeting. There was a unanimous decision by the 3 elected Committee Members and supported by the Escritura Representative Mr. Peter Mason to give notice to Terminate the Management Company Contract. The reasons were given in writing and this appears with the Agenda papers. The Chairman gave detailed lengthy explanations. The Chairman asked the meeting to support the Resolution to agree with the Committee to continue with the Termination of the Contract.

The Chairman then invited Mr. Pengelly to respond, **amidst general audible agreement**. Mr. Pengelly stated that he had previously declined offers from other companies. He was faced with a choice, promote someone within the company (a new Managing Director) or to sell. Mr. Pengelly chose the latter. He stated that in his view it was the best thing for the Resort as Onagrup were good at renting. He did not advise anyone earlier about the sale because of a confidentiality agreement. Mr. Pengelly went on to explain what Wimpen did for the Management Fees.

Mrs. Carol Parkinson was then invited to speak. She explained the situation on the Resort when the news broke.

- Regular Wednesday meetings with 60 plus Owners in regular attendance. Owners ringing from the UK.
- Her apartment door being knocked regularly.
- Making contact with Albert and Peter Mason and e-mailing Julie Curwood.
- Calling Wimpen and asking for Mr. Pengelly to attend the Wednesday meetings but him not appearing.

Carol highlighted changes to the resort and rental programme that had been made without any discussion with the Committee.

Mr. Lee (Villas 67, 69 Weeks 21, 22) spoke at some length in relation to there not being sufficient benefit in increased renting compared to the possibility of losing control of the resort to Onagrup, who would have to look after their shareholders.

Mrs. Fry (Villas 61, 63, weeks 49, 50, 9,10) spoke against the proposal put forward by Mr. Fletcher and Mrs. Parkinson. What they were proposing was unknown and she was concerned this would mean a loss of new curtains, kitchens and bathrooms. Mrs. Fry was in favour of keeping Wimpen/Onagrup.

There was a point of order. A speaker asked if the Resolution had been seconded. The Chairman asked the meeting if there was a seconder. It was **SECONDED BY LOUD AUDIBLE SUPPORT.**

Mrs. Wither (Villas 66, 38, 78, Weeks 51, 52, 1) stated that various agencies were renting Los Claveles weeks and they were not abiding by the Constitution. She was concerned that Wimpen had not been doing their job properly if they were saying Onagrup will do better. Mrs. Withers finished a lengthy contribution by saying "All they have done is sold us down the river".

Mr. Pengelly responded by stating that they had not been renting enough weeks to cover the debts.

Mr. Ward (Villas 36, Weeks 2, 3) asked Committee about the Business Proposal and asked what status Mr. Pengelly had with Onagrup. The Chairman explained the Proposal (put as an alternative by the Committee).

Mr. Pengelly stated he had to remain an employee as President of Wimpen for at least 12 months.

Mr. Ruddy (Villas 17, 91, Weeks 32, 33) stated that in his view Mr. Pengelly had every right to sell his company, there was no legal obligation to disclose details and any moral obligation was a matter for Mr. Pengelly's conscience. He did not believe that Mr. Pengelly was wrong to refuse to hand over the Membership Database. He also stated that he did not believe there were legal grounds for terminating the contract and if this was the case, this could be damaging to the Club.

Mr. Vint spoke for some time, reminding Mr. Fletcher that in the past he had complimented Wimpen on a job well done. He also raised the issue of Committee Expenses and in particular those of Carol Parkinson. There was considerable dissent from the floor regarding this remark. Mr. Vint spoke about the Business Plan and said that the proposals did not add-up.

Mrs. Parkinson responded to Mr. Vint's remarks on expenses and stated that they were legitimate and were less than the actual cost of undertaking her role. She wondered why Mr. Vint was not questioning the Wimpen expenses when there was obvious waste. (Applause from a majority)

Mr. Jamieson (Villa 33 Week 7, 8) wished the discussion to revert back to the proposal on the contract Termination. He had experience with contracts and stated that the way the existing contract was written, "Mickey Mouse" would have done a better job. He suggested letting the contract come to a natural

end. Mr. Jamieson stated that the problem now was that we had a breakdown of trust with Mr. Pengelly.

Instances were given where Wimpen had not undertaken their responsibilities in good time. Mr. Pengelly responded by stating that First National (Trustees) were written to on 13 May 2012, terminating their contract and issuing instructions to hand everything over to the new Trustees, Hutchinson. We held back giving FNTC certificates because they should be going to Hutchinson. Hutchinson have been fighting to get the information and FNTC have been fighting to hold on to it.

Mrs. John (Villa 63 Week7, 8) stated that she had looked at the Articles, Clauses, Statutes and other resolutions and found Wimpen very wanting in most of those. Mrs. John then gave many examples including the Constitution not being up to date. Mrs. John stated that the constitution allowed for the Club to stop Onagrup/Wimpen performing duties. Mrs. John questioned the auditing every three years. Mr. Pengelly stated that this decision was made by the Committee.

Mrs. Martin (Villa 66, 39 Weeks 47, 48) asked the meeting to continue with Resolution 13 and 21. She gave her experience of a failing resort she knew of. She knew the importance of a good rental programme.

Mr. Monedero (Wimpen) stated that there were 800 cancelled weeks belonging to the Club available to rent. There are 300 Escritura weeks available to rent and 200 weeks owned by Wimpen available to rent.

At this point speakers from the floor asked for a vote. The Chairman stated that after the people, who had signified they wished to speak, had spoken he would then move to the vote.

Mr. Leggett (Villa 29 Week 47) stated that there was budget information included in the Business Proposal but you had to look for it.

There was then a **PROPOSAL TO MOVE TO THE VOTE**. The Chairman put this to the vote. This vote was **CARRIED OVERWHELMINGLY**.

The Chairman exercised his right of reply as the mover of the Resolution.

- The Business Plan had been put together by owners who had expertise and in his opinion was workable. It is in fact an alternative to what exists at present.

- Regarding his commitment. He would stay until the job was done or until the Club voted for a replacement.
- The signing in procedure for today's meeting was unacceptable and was the responsibility of the current Management Company.
- The Proxy Voting Forms were not issued as instructed by the Club Chairman.
- The argument regarding compensation should not be a deciding factor as the club could afford it, if it came about.
- The Management Company had refused to follow the instructions of the Chairman and the Committee.

Moving to the Vote. Speakers from the floor stated that they were Escritura and had Club voting cards. The Chairman suspended the meeting for a short time for this to be resolved.

The meeting was reconvened

The Chairman stated that during the interval he had been inundated by Members asking for **Onagrup to be allowed to speak**. The Chairman put this request to the vote and it was **CARRIED**.

Mr. Rafael Geraci (Onagrup) stated that they had invited Samantha from RCI and asked if she could make a speech for Onagrup. (Dissention from the floor) He said he did not have much to say. He apologised for the situation that had been created by the acquisition of the Management Company and expressed deepest respect for the board of owners and the community members. He referred to the Letter terminating the Contract and stated that there were no valid reasons. He stated that the Contract had two years to run and early termination carries legal consequences and economic penalty. He stated that he was proposing modern marketing to increase revenue but all final decisions would be made by the Committee so there was nothing to fear. He went on to elaborate as to the benefits of staying with Onagrup.

AGENDA ITEM 13 Termination Notice Given to Wimpen/ Onagrup. The Chairman put this to the vote.

Votes in the room and proxy vote were combined

In Favour of the Termination 863
Against 823

The Chairman declared the Resolution **CARRIED**.

At this point Mr. Fletcher handed proceedings to Mr. Pengelly to deal with Escritura matters and the Club Meeting was briefly suspended.

The Club Meeting resumed with Mr. Fletcher as Chairman.

Mr Pengelly, having knowledge that the Escritura Owners had voted to Retain Wimpen/Onagrup as their Administrator, stated that there would be two Administrators on the Resort and both he and Mr. Fletcher (Chairman) would have to put together a Policy that would work for two Administrators.

There was then some dissatisfaction amongst some speakers who were questioning the proceedings and the proxy voting system. The Chairman stated that due to the organisation of the form he was not given as many votes as he was entitled. The Chairman asked that the forms be kept safe as he required an independent audit of the proxy forms.

The Chairman stated that he would call a Special Meeting as a new Constitution will be needed and Members needed to be kept informed, including ensuring all the Club money has been handed over along with the Database of Members.

The Chairman clarified that the Management/Administrator Contract would terminate in a months time.

The Chairman then proceeded to deal with the remaining agenda items but was reminded by several speakers that the meeting was out of time as the room was required for another meeting. The Chairman stated that he would call another meeting to deal with the remaining agenda.

At this point Julie Curwood announced that she was resigning from the Committee.

The Chairman then stated that he required the Membership Register in order to call another meeting and the meeting would be organised by the Committee. He thanked everyone for their attendance and support and closed the meeting at 1.55 p.m.

Albert Fletcher
Chairman
Club Los Claveles.