

ASSOCIATION OF HOUSE OWNERS

Quinta do Paraíso

Founded: October 3, 1981

Cover Letter – May 2017

Dear Members,

Your Board has had an eventful time since we sent you our February 2017 Newsletter.

As a result, this mailing to you has become quite substantial.

In addition to the Minutes of our AGM, 01 April, and attachments, it comprises:

- this Cover Letter, with a pro-forma reply template, and voting form, as mentioned below
- our Members Update May 2017, detailing many of the events in the last couple of months *
- a copy of the Agreement offered to HOA by CC Management on 12 April *.

** documents restricted to Members only, including via the hoa-qdp.org Bulletin Board*

The Board is determined to continue to represent all those Owners who opt to join the HOA.

Whilst protecting our Members' interests in the 'good times', we also need to be prepared to act independently, in case of any return to 'bad times'.

We are concerned to demonstrate that we have the support of all our Members, not just those who physically attend our AGM.

We would therefore greatly appreciate your specific attention to the following key points:

1. Please inform CC Management whether or not you are willing to pay their proposed increased Central Facilities contributions for 2017.

A pro-forma reply is attached, including a blank space for your own individual comments. Please copy the HOA Secretary on your response.

2. CC Management is declining to endorse the HOA's two existing agreements with QdP R.T.Lda.

(a) The first of these enshrines the HOA's longstanding right to conduct an audit of the bookings and reservations, and was signed in July 2010, so that the HOA ceased to be a third party in the annual Management Contract as from 2011.

The Board's consensus is that such audits have been a considerable expense for HOA, typically every two to three years, and have never revealed any significant problems with the bookings and reservations, including the fairness with which such bookings are allocated to individual Owners.

Whilst we do not welcome the CC Management's new position, the Board's pragmatic view is to be reluctantly willing to give up this right, as a step towards re-establishing our working relationship with CC Management – and with a corresponding major cost saving to the HOA.

Please vote on whether or not the HOA should agree to give up this right.

(b) The second existing agreement enshrines the HOA's right to conduct an audit of the Central Facilities costs, and was signed in October 2013, so that 'fixed' CF contributions applied from 2014.

CC Management is proposing to make that right a matter for annual agreement, whereas the current agreement is indefinite (subject to one year's notice). The HOA Board is opposed to this change.

Please vote on whether or not the HOA should oppose this change of term.

3. In the proposed Agreement that CC Management offered to HOA on 12 April (copy attached), CC also required control over the HOA's Newsletters and Website.

The Board's opinion is that the HOA must preserve its right to communicate independently, particularly in case there is a disagreement between us and CC. We therefore informed CC on 28 April that there are many points which we find contentious and don't accept. We will have a further Skype Board meeting on 10 May, after which we will detail our specific concerns.

Please vote on whether or not the HOA should retain its independence.

4. The Board is also seeking Members feedback about priorities for the 2018 contract negotiations, both in general, and specifically regarding 'Rental rates vs. Rack rates'.

Please see the AGM Minutes, item 3A-1 and item 9. We have identified that 'C2' and 'D' units are receiving disproportionately low Rental rates. The question is whether the HOA should negotiate to improve these Rental rates, by €1 to €2 (max) per night; or should we accept the status quo ?

This is an open question, for you to give your opinion. Respecting current CC Management sensitivities, this question is for Members with CC Rental contracts only.

We thank you for your attention to these important matters for the future of the HOA.

Alan Jenkins, HOA Chairman, for the Board.

Pro-forma reply, May 2017 (please send as soon as possible)

To: CC and QdP Management, cc. HOA Secretary
Re: Central Facilities contributions 2017

In response to the 'Letter-CF-2017' from CC Management in mid February, and considering
(a) the points made in the HOA Newsletter, February 2017, and
(b) the vote made under Clause 6.1 at the HOA AGM on 01 April 2017, **I hereby opt:**

Either: **to decline** the increase in CF Contributions for 2017, keeping to our existing Contract

Or: **to pay** the increased CF Contributions for 2017, over and above our existing Contract.

(delete as inapplicable)

Please invoice me accordingly.

[blank space for individual comments]

House No: _____ Signed: _____ (name) _____ (place) _____ (date)

Voting form, May 2017 (please respond as soon as possible)

To: HOA Secretary

In response to the HOA Cover Letter, May 2017, I vote as follows:

Point 2(a), to give up this right YES or NO

Point 2(b), to oppose this change of term YES or NO

Point 3, to retain HOA's independence YES or NO

(The Board unanimously recommends that you vote 'YES' to all of these points)

[blank space for individual comments]

House No: _____ Signed: _____ (name) _____ (place) _____ (date)

Feedback form, May 2017 (please respond by 31 May)

For Members with CC Rental contracts only

To: HOA Secretary

In response to the AGM Minutes, item 9, re: 'Rental rates vs. Rack rates':

- Either: HOA should negotiate to improve the 'C2' and 'D' Rental rates
- Or: HOA should accept the status quo

(delete as inapplicable)

[blank space for individual comments]

[blank space for other priorities for the 2018 contract negotiations]

House No: _____ Signed: _____ (name) _____ (place) _____ (date)