

ASSOCIATION OF HOUSE OWNERS

Quinta do Paraíso

Founded: October 3, 1981

HOA Newsletter – July 2017

The HOA Board thanks all those of our Members who responded to our Cover Letter, May 2017, together with the Minutes of our AGM, 1st April 2017 and attachments. We have greatly appreciated the many comments in support of the Board, and all the thanks for our efforts.

1. Results of Voting, etc.

We received replies of in excess of 80 % of our members ;that percentage is inclusive of the replies from those members not renting via CC-Club or not at all.

On the Central Facilities charges for 2017:

81 % informed us they are declining the increase proposed by CC, 19% that they are accepting the increase.

- One Member who declined the increase commented: "I had expected that the CF costs would increase as the expenditure by the new owners would have to be recouped." (Note - this despite the 2017 CF Budget being less than it was for 2016.)

On the independence of the HOA:

The vote of Members were unanimous :100% in favour.

A typical comment was: "The HOA should definitely retain its independence from CC, particularly in the light of their current stance and their history of non-transparency."

On the Board's proposal to reluctantly give up the right to audit the bookings and reservations,

69% of our Members renting out via CC club supported this proposal, whilst 31% voted to retain this right.

The comment from one such Member was: "Though not needed every year, we have the opinion that executing it from to time it is a fair instrument. In addition it will also raise the standards and/or keep the standards of booking and administration at a high standard. An individual member would have no influence."

Another Member opposing this proposal said: "I am a strong supporter of the possibility to be able to control and check. Once you give rights away, you will not get them back."

Concerning the HOA's right to audit the Central Facilities costs and budget:

The vote was 94 % in favour.

Finally, turning to the Board's analysis of 'Rack rates vs. Rental rates':

And further to the discussion at the AGM (Minutes 3A-1 and 9), those who voted were also unanimous that the HOA should continue this discussion with CC Management for 2018 with 81% in favour.

2. Further contact with CC Management

On 1 May we forwarded our Cover Letter, May 2017, together with the Minutes of our AGM, etc.

On 14 May, following our Skype Board meeting on 10 May, we sent our detailed constructive response to the CC Management's proposed new Agreement dated 12 April (as circulated).

On 19 May, CC responded with no further negotiation, but simply stated that the shareholders and management have now decided NOT to sign a new Agreement with the HOA ;this only after a long exchange of words amongst other issues over the differences in point of view on particularly the CC vision of the published Minutes of our AGM of 1st April (and despite them having withdrawn from attending this)

Quote:

We do not have such kind of agreement in any of our other resorts (even not with our owners of Jardim do Paraíso) and do not see the necessity and/or advantage of it, nor do we want to have this commitment. We want to continue to maintain our good relations with the individual property owners and send them in due time the proposal of the contract terms and conditions for the following year. We do not have any problem with this system in any of our other resorts and are confident that it will also perfectly work for the owners at Quinta do Paraíso. With the synergies we create with our restructured organization, we have a very attractive and competitive offer and Owners associated with us will benefit from more valuable advantages very soon.

Unquote

(Note - the HOA Board is aware that 'Jardim' has a Condominium title agreement; we do not know the status of Owners at the other CC resorts (Condominium, Freehold, Aldeamenta Turística, etc...)

CC Management have stated they would like the HOA to continue to audit the Central Facilities costs and budget, so we do have at least that basis for further discussions.

On June 4th , the Board held a further Skype meeting,

On June 13th two of your board members had a constructive meeting with the board of CC club, to clear the air and discuss the HOA's role.

In view of this positive meeting your board has discussed ,as a try-out, that the new 2018 contract will be mailed to our members without this having been breviewed/negotiated with the board.

This because of the fact that the new 2018 contract will not deviate from the 2017 contract, except with an increase in daily rental rates.

However we stated also that any member who would like to consult the board to hear recommendations from us would continue to do so.

We further agreed to continue the conducting of the audit on the CF.

3. Latest status

In any event, we will continue to protect our Members' interests, in the current 'good times' – e.g. by continuing to seek to maximise our Members' incomes and to minimise our Members' costs.

Moreover, we are determined that the HOA must remain in existence, not least as a contingency

(in case of any return to 'bad times' in the indefinite future).

We advise our members to check their statement of account. This because CC has already charged some owners with the increased CF costs for the first quarter.

We have experienced that CC corrects this immediately if requested.

Alan Jenkins, HOA Chairman, for the board