

ASSOCIATION OF HOUSE OWNERS

Quinta do Paraíso

Founded: October 3, 1981

Minutes of Annual General Meeting for House Owners Association (HOA) at Quinta do Paraíso (QdP)

Held Saturday March 28th 2015 14:00hrs

Present Board: Aart de Groot, Secretary HOA (acting Chairman)
Piet van den Berg, Treasurer HOA
Djurre Siccama, Boardmember HOA
Tracey Francis, Boardmember HOA
Alan Jenkins, Chairman was not present

Present QdP: Conceicao Firmino, Director QdP
Patricia Burer, Director QdP

Members present: 20 persons representing 13 houses (board members included)

Agenda Minutes

1. Opening

Mr de Groot opened the meeting and welcomed those present, including the new members. He firstly apologised that Mr Jenkins, Chairman of the Board was unable to attend due to medical advice not to travel this month. Mr de Groot also thanked QdP for serving the excellent lunch.

2. Minutes of AGM March 29th 2014

The minutes were briefly reviewed and accepted.

3. Secretaries report 2014

The report was summarised, and there were no further remarks or questions from members present.

4. Consequences of and (if possible) presentation of experiences with the new law on Alojamento Local

Mrs Burer advised that there has been a lot of additional administration around chasing owners to complete and confirm all the requirements for the new law.

Some owners have still not bothered to respond and are at risk of making it even

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more complicated and costly for themselves if they continue to take no action - for example, they may now need to give a power of attorney.

One member wanted to clarify that even if they only rent out their property for just the two months over the summer, do they still have to register. Mrs Burer stated that as far as she knows, yes, everyone who receives rental income, no matter how small or large needs to register.

5. QDP Presentation

- Central Facilities - this is a continuous saga with 40% of owners not paying their share of the CF costs. The resort could look very different with these additional funds. Mrs Burer advised that the shareholders do however now have a 3 year investment plan. Last year was the reception refurbishment and one tennis court, and in 2015 will be another tennis court refurbishment, and new equipment for the children's playground. For 2016 they will look at heating the pool and replacing the pool pavement areas.

Mrs Burer reconfirmed that there are still daily pool checks in high season to ensure that guests of those owners who haven't paid CF are politely requested to leave, or if the unknown pool users are locals, they are asked to pay or leave.

Mrs Burer reconfirmed that the resort just about breaks even each year with no additional profit to put back into the resort which means the shareholders need to continue to invest to improve and update the resort. She stated that, as well as improving the Central Facilities in 2015, QdP will also be investing in its restaurants, its kitchens, and in an updated website.

- 2015 Occupancy Levels - Mrs Burer advised that at the moment, compared to this time last year, their occupancy is 10% up so looking positive for the rest of the year. It was a mixed year for 2014 with a very bad May and the Soccer World Cup in June did not help the business too.
- Advertising Strategy
 - Mrs Burer thanked the Board for its constructive feedback about QdP's presence on various websites. As a result, she has recently made improvements, both on Booking.com and on QdP's own website.

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- Mrs Burer and the Board encouraged members to motivate their guests, family and friends to review QdP positively on the travel advice websites such as TripAdvisor, Holiday Check and Zoover. Members were a little confused on this point asking if QdP could leave a printed questionnaire for guests to complete and hand in at reception. The Board explained that these websites are travel review websites only, and reviews have to be written online on the website pages by unique users, so reviews cannot be collected and uploaded to these websites by QdP. Therefore all encouragement for friends, family and guests to review QdP is needed to boost the current ratings which will make QdP more appealing.
- In the same vein, Mrs Burer stated she will be continuing to encourage owners with 'standard' rated houses to improve them to 'superior'.
- One member asked what star rating QdP was. Mrs Burer explained that as we are an AL resort (like a condominium) there are no rules for star rating - these only apply to those properties classified as 'hotels',
- Mrs Burer also reconfirmed that the QdP website is being updated throughout 2015 to bring it up to date with newer technology and requirements.

- Recycling Facilities - Mrs Firmino explained that the Lagoa Camara has a plan to introduce 'below the ground' recycling facilities across the area by 2017. QdP is continuing to chase the Camara on when they will receive this upgrade.

- WiFi - Mrs Burer is aware that this was a hot issue for 2014 and as agreed with the HOA, will continue to monitor and invest in the current system throughout 2015. She advised that the supplier was onsite this week, splitting the circuits between the Jardim and the rest of the resort with new antennas and equipment. The real test of this will come in the summer during peak season. Any problems should be reported immediately to QdP Reception. The Board will keep this under review.

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6. Members Feedback

- Contract 2014 experiences - nothing major was reported, just the usual feedback on street lighting and rubbish collection.
- Contract 2015
 - Wine & Water for new clients was again discussed, and everyone present was in favour for continuing this.
 - Washing up and dishwasher consumables was a more lively discussion. As not every villa has a dishwasher, it was agreed that those owners who want to provide consumables may do so, and should advise QdP so the housekeeping staff are aware and can assist in managing it and putting appropriate amounts out for each guest.
Chairman's post-meeting note: the Board will aim to include this in the 2016 contract; meanwhile all Owners are invited to advise QdP as above - a proforma letter is enclosed with these Minutes.
- Service Level of QdP - the Board has forwarded, anonymously, comments submitted by members in advance of the meeting. No major issues were reported from QdP or members at the meeting.
- Experiences with Sovereign and other Fiscal Representatives - no real experiences at this time as many representatives still working to obtain all the new AL numbers. All new numbers will need to be sent through to QdP.

7. Any other business

- One member bought up the situation of guests reserving beds at the pool from early in the morning and not turning up to use them until the afternoon and in peak season it is a real challenge to find spare beds by the pool. QdP advised that all resorts have the same problem during the height of summer and they will also have their daily pool checks monitor the 'saving' of beds and discuss with guests as needed.
- One member discussed the use of blankets / duvets. QdP confirmed that all houses should now switch to providing duvets as the main bed linen and additional blankets used for the colder seasons.
- One member discussed the use of keys in all houses and should there be a plan to upgrade all to a credit card style key access like many hotels. QdP advised that they had received no complaints from having physical keys for their properties.

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8. Place and date of AGM 2016

Easter falls on the last weekend in March 2016. It was therefore decided that the next AGM will be held on Saturday afternoon **April 9th 2016** at Quinta do Paraiso.

The acting Chairman then thanked Mrs Firmino and Mrs Burer for their contribution and announced a short break so the meeting could reconvene with members only.

Second part of AGM - members only

1. Financial and Audit Reports

- The Treasurer presented and explained the financial and audit reports and the estimate for 2015. No further remarks / questions from members present. The report and audit are attached to these minutes.
 - The Audit committee (Mrs Marga de Groot & Mr van Katwijk) is satisfied and proposed to discharge the Treasurer. The members agreed.
 - The Audit committee for 2015 will be Mrs Marga de Groot and Mr Koetsier.
 - The Board clarified the results of the audit carried out on the CF costs in January 2015 and have accepted the calculation as the basis for the 2015 CF budget.
 - One member raised the question of what is the vision / direction of QdP. Is the resort surviving? Discussion focussed around re-iterating the points previously made by Mrs Burer in that if there is no profit, the shareholders are reluctant to re-invest.
 - The discussion also included the idea of QdP looking at branding & marketing themselves better, with many unique features, for example as a great kid's club service that competes with the likes of Club Med.
 - Housekeeping items were also raised - it seems that QdP may not be saving costs on purchasing high value brands and two members suggested QdP goes back to a per night cleaning cost not a cost per item so should laundry costs be better audited.
- The Board will bring the above to QdP's attention.
- Results of Sovereign Audit - The Treasurer advised that the Board had just received the Audit which will be thoroughly reviewed and then shared to members.

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Post meeting note from the Treasurer

Summary of the Sovereign audit:

- 1. QdP computerized booking system works virtually without mistakes. It is a transparent system and therefore easy to audit.*
- 2. There is a downward trend in the percentage of upgrades. In 2008 it was 13 percent. In 2014 we were down to 9.*
- 3. The priority system whereby superior houses are given preference over standards for occupancy works fine.*
- 4. Owners receive the correct contractual payments for rental, ie. Both for the number of rental days as well as for the amounts listed in the contract.*
- 5. Total income received for all HOA villas combined shows a healthy upwards trend in 2014.*

2. Experiences with independent booking Websites for QdP accommodation

One member reported some limited success with a Website oriented to 'person to person' bookings. It was re-emphasised that, under the HOA agreed Contract, QdP always has 'first refusal' on potential booking dates.

Other members present stated that they had no personal experiences with direct on-line bookings. A recent try -out showed that it is impossible to make an on-line booking in -for instance- the low season for a period of say 2 month (jan-febr) and that such should be possible as this is the standard nowadays.

Potential clients will simply " click" further to a booking site that will give instant detailed answers + direct booking and payment facilities.

The meeting concluded that the Board's actions on this subject are very good and that the QdP internet booking "friendliness" must be a permanent agenda issue as it needs further improvement.

3. Renewal of HOA's powers

- a. Audit on bookings and reservations**
- b. Audit on CF costs**
- c. Delegate to the Board to negotiate and agree CF payments for 2016**

All powers were unanimously renewed with thanks.

4. Election new board members

Mr Van Den Berg retired by rotation and was unanimously re-elected (applause).

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5. Any other business

One member, in Dutch, requested a summary of the Minutes to be written in Dutch. *The Board suggests that members wanting a translation of the HOA's papers to any other language should 'copy and paste' into Google Translate.*

No further matters arising, the acting Chairman thanked those present and closed the meeting at 17:00hrs.

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Proforma letter

Dear QdP Management,

Further to the discussion that took place at the HOA AGM on 28th March 2015,
I hereby request that you provide all future 2015 guests in my house with

- washing up liquid and dishcloths
- dishwasher tablets and consumables - salt, rinse aid [if applicable]

Please charge the costs to my account, as for all other cleaning materials.

Yours sincerely,

(Name)

(House number)

(Date)