President's Report 2006

As the summer comes to a close and with the AGM fast approaching it is time, once again, to review activity and progress over the past 12 months.

FINANCES

The community is in a healthy financial position largely because of two factors :

- 1. The creation of a reserve fund which currently stands at 40,000 euros made possible largely by
- 2. the collection of outstanding community fees
 - at 12 September the total amount outstanding was 21,449.46 euros
 - this is down from almost 100,000 euros two years ago
 - most of current outstanding amount relates to the current quarter and
- 3. by collection of another 15,000 euros from Seven Hills

Do bear in mind that if community fees to 30 September are not paid up you will not be entitled to vote at the AGM and also if at the start of the quarter Oct – Dec 2006, you are in debt to the community of more than the previous quarter (June-Sep) your community TV service will be disconnected. If the debt remains unpaid after 2 weeks, the community internet service will also be disconnected. These services will not be reconnected until debts are cleared.

It is also worth remembering that community fees which are paid within the first month of each quarter receive a 10% discount. At the AGM this year we will be proposing to maintain the current budget and to increase this discount to 15% as of 1 January 2007.

COURT CASE AGAINST SEVEN HILLS

Papers relating to the community's claim against Seven Hills for serious defects have been submitted.

MACRO COMMUNITY

The Macro Community is the overall body to govern common areas of all the phases of La Cala Hills as well as the other communities located in our neighbourhood. Currently this function is still taken care of by a consortium of the developers until the Town Hall is satisfied that all demands and requirements of the Town Hall are met. At this time we assume that the first steps towards a Macro Community will be taken later this year.

WATER METERS AND SUPPLY OF WATER

Our water system has, as yet, not been adopted by the local water company. The charge for our water therefore continues to be paid from community funds. We currently have no access to cheaper water for the gardens and therefore ALL our water is now classed as 'domestic'. The overall cost is very high, an official drought order has been in place since November 2005 and I would urge everyone not to waste this costly and precious commodity.

BASURA

The situation regarding disposal of rubbish remains unsatisfactory but until the Macro Community is established and they take over the responsibility there is little that can be done.

GARDENS AND POOLS

In the gardens we had some major work done to the area south of the main pool to stabilize the terraces and avoid continuous erosion. The gardeners also worked to slowly transfer the gardens to a less water intensive environment by selecting and planting less demanding grasses and flowers. At the moment the two big trees next to Blocks 8 and 9 and behind Block 3 are being taken down, in agreement with the Environmental Office in Mijas, as the trees represent a major hazard in strong winds.

The heating system of the large pool requires a complete overhaul or possibly a new installation because of the poor quality of the original installation. We are in the process of obtaining quotes for this work.

COMMUNITY RULES

This is an opportune time to remind ALL owners that when you purchased your apartment you also agreed to abide by the community rules.

There seems to be a reluctance on the part of many people to take notice of the rules which, I should remind you, are for the benefit of everyone. The school of thought for some is that whilst "the rules should apply to everyone else they don't apply to me!"

We have a beautiful and up market complex here in Phase 1 and the Governing Board certainly intend for it to remain that way. It is always been our intention to not only preserve our own asset but the assets of everyone else. However, this can only be achieved if everyone works together to maintain the current standard.

The greatest problems occur during the busy summer weeks and I am reliably informed that, once again, this summer every rule in the book was broken – towels hanging over balconies, rubbish dumped by the bins, dogs allowed to foul the central square, ball games in the gardens, lilos and ball games in the pools, pool hours not observed, sun beds not put away (the record currently stands at 15 beds being left out overnight around the pool at the rear of Block 8), parking all around the access roads and serious noise issues. And it is not just holiday renters that are to blame!

Juan, our night time security guard, worked every night throughout July and August and worked tirelessly to ensure that rules were adhered to. Sadly, in some cases, instead of receiving respect and co-operation he received abuse. Some of the problems he had to deal with emanated from Phases 2 and 3 and I will be writing to the President's of both those phases to request that their own security is put in place for next summer.

With regard to the parking, which became a serious problem through the summer, it would appear that many renters arrived without remote controls and were therefore unable to access the complex without assistance from the security guard and unable to use the garages. There were several occasions where, if cars had not been moved to the garages, the security guard was under instruction to not allow any more cars to enter Phase 1. There simply was no room.

This clearly is an unacceptable situation and therefore any owner who rents out their apartment MUST supply the renters with a remote in future. With effect from 1 November 2006 any person who cannot access Phase 1 with their own remote will not be allowed access. Do bear in mind that if we did not have security this would be the norm anyway. Our security guard will be under instruction to only open the gates for visitors and suppliers carrying out work to Phase 1.

So, if you have rented out your apartment you must ensure your renters have a working remote control or they will be faced with the situation of having to leave their vehicle outside of the complex. They should also be encouraged to use the underground parking.

Owners who rent their apartments must also ensure that a copy of the community rules is displayed in the apartment and that renters are made aware of the need to comply with the community rules. Rest assured that we will come back to owners with complaints about your tenants. The Governing Board have no wish to embarrass and upset tenants by continually pointing out that they are breaking the rules. A copy of the rules is enclosed.

The issue of noise, especially around the pool at the rear of Block 8. also became a serious problem this year making life intolerable for some residents in Blocks 7 and 8. Pool rules are clearly displayed for all to see and security patrols will be stepped up to ensure rules are obeyed.

Whilst we have to appreciate that it is holiday time. the fun that holiday makers want to have cannot be at the expense of the people who live here all year round and who are not on holiday. There has to be a balance and a compromise on the part of everyone. Community life is very different to living in your own private home. Community life here means you have to share the gardens, the pools and every other facility with 125 other apartments although sadly many people think they can live here or visit here and behave as if this community is theirs and theirs alone.

We have two choices – we can all work together to maintain the standard of our community or we can give up trying, let everyone do what they like and watch the standard fall rapidly. Which would you prefer?

<u>AGM</u>

The AGM for 2006, as previously advised, will be held on Monday 16th October at 10am at the same place as last year's.

I look forward to seeing you at the AGM. If you are unable to attend please ensure that you give your Proxy to a member of the Governing Board, another owner or to Intercala

Michael Howarth President La Cala Hills Phase 1