

**MINUTES OF THE MEETING OF THE MANAGEMENT BOARD OF THE
URBAN CONSERVATION ENTITY OF CONDADO DE ALHAMA, THURSDAY
29TH APRIL 2021**

ATTENDEES:

Members of the Management Board:

NEIL SIMPSON	PRESIDENT URBAN ENTITY
ANDY WATKISS	VICE PRESIDENT URBAN ENTITY (TEAMS) (IN PART)
BOB WHITTY	SPOKESPERSON
IAN WHYTE	SPOKESPERSON (TEAMS) (REPRESENTED)
ALAN BURGE	SPOKESPERSON (TEAMS) (IN PART)
ANTONIO JOSE CAJA	URBAN PLANNING COUNCILLOR ALHAMA DE MURCIA COUNCIL (TEAMS)

Other attendees:

JORGE PEÑA	VICE PRESIDENT LEVEL 2 JARDINES II (TEAMS)
IRENE CURTIS	VICE PRESIDENT LEVEL 2 LA ISLA (TEAMS)
JOSE MONTOYA DEL MORAL	URBAN ENTITY LAWYER
ANTONIO CASTRILLO	INMHO ADMIBURGOS
FÉLIX IRAZUSTA	INMHO ADMIBURGOS
JUAN FRANCISCO LÓPEZ	INMHO ADMIBURGOS
SERGIO HERCULANO	INMHO ADMIBURGOS

The Urban Entity Management Board, gathered in the meeting room at the Admiburgos office in Alhama de Murcia at 12:30 hours on 29th April 2021, duly summoned and under the following

AGENDA

1. Approval of the regulatory bases of the agreement to be signed with the Council.
2. End of actions against the council over the issue of waste collection, if appropriate.
3. Report and agreements to be adopted on the following two legal issues:
 - 3.1. Ruling handed down in the administrative proceedings followed as a result of the action brought against Alhama de Murcia council by the Association of Residents and Owners on Condado de Alhama.

- 3.2. Challenge to the ruling brought by Agrofruits Levante, S.L. in the administrative proceedings followed by this company regarding the system of calculating Entity fees.
4. Final location of the pharmacy.
5. Scientific advance, via a polymer, allowing a 30% saving in irrigation water. Possible implementation.

1. Approval of the regulatory bases of the agreement to be signed with the Council.

Antonio Castrillo explained that this is an agreement that has been negotiated over the last two years; this one is different to the previous ones, as the Council already sent the agreement proposal and the Urban Entity accepted it as manifestly insufficient.

He continued, explaining in depth all the items that have been included in the agreement, such as an annual financial contribution, which has increased considerably, the inclusion of the undertaking to promote the installation of the irrigation water pipe, facilitating administrative claims against debtors, promoting municipal registration during the months of July and August, the repair of streetlights on the outer ring before the summer, and the withdrawal, by both parties, of the legal claims that have been in dispute up to now.

The Councillor was asked to include two qualifications in the agreement: one regarding the LED streetlights, and another regarding the resurfacing of the roads. He agreed to include both qualifications, although he indicated that, as had been stated previously, Alhama council is carrying out the change to LED bit by bit throughout the municipality in order of age, therefore, when it is Condado de Alhama's turn, this will be carried out. With regard to the resurfacing of the public roads of the complex, he accepts its addition to the agreement as an obligation of the Council, to be executed when the wear and tear and poor general conditions of the complex require its full refurbishment, all without prejudice to the obligation of the Entity to assume the specific repairs that occasionally and partially may occur.

It was clarified that the 12,000€ of financial contribution from the 2020 agreement will not be received directly by the Urban Entity, although this has been taken into account in the current agreement.

Jorge Peña stated that the consumption of irrigation water in the Entity should correspond to the Council, as appears in the agreement for the Industrial Estate. Antonio Caja explained that this is a very different situation, given that the green areas of the Entity are not comparable due to their measurements, nor do they have the same characteristics as the Industrial Estate; he added that the Urban Entity has been provided with the municipal rainwater ponds for its use, and that it benefits from these in order to collect and store rainwater, both for inner ring areas and the Entity. Nevertheless, a possible collaboration between the Council and the Entity about this matter could be studied in the future.

Subject to the consideration of those present, the regulatory bases of the agreement to be signed with the Council were UNANIMOUSLY approved. This decision will be included in the Agenda of the the next General Meeting of the Urban Entity in order to be ratified where appropriate.

Neil Simpson and Andy Watkiss thanked Antonio Castrillo, Antonio Caja, and all those who had been involved, for all the effort and work in drawing up this agreement.

2. End of actions against the council over the issue of waste collection, if appropriate.

Montoya explained that, in compliance with previous agreements, the Urban Entity was obliged to file a contentious-administrative claim against the Alhama Council after it, incomprehensibly, issued the Agreement dated June 10 of 2020 that the proposal for an urban agreement presented by the Entity on June 1, 2015, by which, until that moment, the relations between the parties had been peacefully governed, was rejected due to administrative silence. This claim has been submitted to the Contentious - Administrative Court Number 7 of Murcia as an ordinary procedure no. 100/2021, and is currently in a very early stage.

There is a concern that, if the new agreement with the Alhama Council is finally signed, which notably improves the conditions established in the one that had been fulfilled until now, which is the 2015 agreement on which the aforementioned judicial controversy exists, it would not have any legal or practical sense to continue with the aforementioned legal proceedings in progress.

Therefore, it is UNANIMOUSLY approved that once the formalisation and signature of the new urban agreement currently proposed is ratified in the mandatory Meeting by the Urban Entity, which would enter into force in the current year 2021, the Entity and the Council would put an end to the aforementioned judicial procedure, for having lost all its practicality.

To avoid any negative consequence for the Entity or circumstance of defenselessness, once the new agreement is signed, both parties will sign a written agreement before the Court requesting the termination and filing of the procedure due to the loss of the object of the lawsuit.

3. Report and agreements to be adopted in the following two legal issues:

3.1. Ruling handed down in the administrative proceedings followed as a result of the action brought against Alhama de Murcia council by the Association of Residents and Owners on Condado de Alhama.

Montoya informs that on 14th April 2021, it has been notified of Ruling no. 70/2021 dated 8th April 2021, handed down by Murcia Administrative Court Number Three in ordinary proceedings no. 292/2019, in which the Association of Residents and Owners on Condado de Alhama (hereinafter, the AVPCA) took Alhama de Murcia council to court, requesting the rectification of a municipal report declaring the private nature and the legality of the contracts entered into between the Urban Entity and the company STV Gestión, S.L.

The Ruling partly upholds what the AVPCA requested, in the following terms:

1. The AVPCA took Alhama de Murcia council to court as it disagreed with the municipal agreement approved in the legal report issued by that Council on 10th December 2018, in which it declared the legality of the contracts entered into between the Urban Entity and the company STV Gestión, S.L., concluding that these contracts are not public contracts, but rather, they are legally private in character, therefore they were not subject to the requirements and demands of public procurement.

The AVPCA maintained that the contracts signed with STV Gestión, S.L. were illegal due to being public contracts, and for the Council not having taken into account, when they were entered into and subsequently extended, the provisions of Ruling no. 312/2014, which established that the waste collection service on the public urbanisation of the Resort had to be provided by the Council.

2. As a direct result of bringing this action, Alhama de Murcia council, on 23rd December 2019, was forced to hand down a new agreement approving another supplementary report different to the one previously mentioned, confirming everything included in the prior report dated December 2018, on the validity and private nature of the contracts entered into with STV Gestión, S.L., but with the addition of recognising that the Council itself was obliged to provide the waste collection service on the urbanisation, in accordance with the provisions of the Ruling from 2014.

Up to the date of the action brought by the AVPCA, nobody had demanded compliance with the aforementioned Ruling from 2014, and the Council had authorised in writing, in 2015, that the Urban Entity and the Communities on the Resort could self-manage the waste collection service via a private contract for its provision with the company STV Gestión, S.L.

All this background was explained in detail to owners in the last annual general meetings held by the Urban Entity and by all the Communities on Condado, at which the Urban Planning Councillor from Alhama de Murcia council, Mr. Antonio José Caja, was also present, explaining to those present that the Council had adopted this decision in its second report, forced by the action brought by the AVPCA, warning, moreover, that when the Council started to provide the waste collection service on the complex, the fee to be paid by each owner would have a cost approximately double the amount currently agreed with STV Gestión, S.L. for the provision of this same service.

3. The Ruling now notified partly upholds the action brought by the AVPCA, and declares null and void the agreement that Alhama de Murcia council approved in the first municipal report dated 10 December 2018, for not having taken into account the provisions of the Ruling from 2014, in that the waste collection service must be provided by the Council (this is the only thing that the Ruling grants in the AVPCA's favour), and declares valid the second report from the Council, approved by an agreement dated 23rd December 2019, which only modified the previous report in relation to the provision of the waste collection service.

Therefore, the practical consequences resulting from the above Ruling for owners making up the Urban Entity of Condado de Alhama are as follows:

1. After the Ruling handed down as a result of the action brought by the AVPCA, Alhama de Murcia council is obliged to provide the waste collection service on the public urbanisation of the Resort. This will take place as soon as the Council is in a position to provide the service, and possesses the required material resources, as already explained by the Urban Planning Councillor Mr. Caja in the last general meetings. When this takes place, as also announced by the Councillor, the municipal fee to be paid by each owner for this item will be approximately double what is currently being paid for the private management of the service by STV Gestión, S.L.

2. The Ruling recognises the legality of the agreement by the Council dated 23rd December 2019, approving the second supplementary report, recognising the legality of the contracts entered into by the Urban Entity with STV Gestión, S.L. with regard to the other services provided by this company apart from the waste collection service, and their legal nature as private contracts not

subject to the regulations for public contracts. This point is very important because what the AVPCA was really pursuing with its action was for the Court to uphold that the contracts signed by the Urban Entity with STV Gestión, S.L. and their extensions are public contracts, and as a result of this get them declared wholly null and void in the Ruling.

3. Therefore, the recent Ruling has not had any further negative consequences than those already announced in the last annual general meetings held by the Communities on Condado and by the Urban Entity, restricting its effects to the waste collection service which, when the Council is able, will stop being provided by STV Gestión, S.L., and will be passed on to the Council, the corresponding municipal fee being payable by each owner.

Additionally, due to the AVPCA's action being partly upheld, the Court, in its Ruling, has not imposed a sentence for the payment of legal expenses, such that each litigating party (the AVPCA, Alhama de Murcia council, the Urban Entity, and STV Gestión, S.L.) will pay the fees for their own Lawyer and Attorney.

4. Subsequently, the AVPCA formally requested from the Court a clarification of the sentence imposed. In said request, the AVPCA insisted that the Court clarify and state whether the contracts signed by the Urban Entity and STV were void. The Court, by Order dated April 20, 2021, dismissed the clarification appeal filed by the AVPCA, reiterating its previous criterion on the correction of the municipal report that recognizes the legality of the contracts signed with STV. Therefore, as mentioned above, despite the AVPCA's withdrawn attempts, the ruling only affects the waste collection service and does not entail any negative consequences on the rest of the contracts signed with STV. This last Order of the Court, with the clarifications it makes and the rejection of the request by the AVPCA, is very positive so that there are no subjective interpretations by any of the litigating parties, on the real scope of the pronouncements included in the sentence.

As an informative note, we add that after the holding of this meeting and before the drafting and closing of these minutes, a resolution has been received from the Court informing that the AVPCA has filed an appeal against said sentence to the Supreme Court of Justice of the Region de Murcia.

3.2. Challenge to the ruling brought by Agrofruits Levante, S.L. in administrative proceedings followed by this company regarding the system of calculating Entity fees.

José Montoya indicated that the company Agrofruits Levante, S.L. has presented a challenge to the ruling of the contentious-administrative proceedings regarding the issue of coefficients brought by the aforementioned company. In this ruling, the Judge established how the fees had to be calculated, applying the correction coefficients, in order to determine the fees for each owner on the Urban Entity.

After all the parties accepted the solid sentence in the proceedings, the Urban Entity made its proposal to the Council with the calculation made, in order to adhere to the criteria specified in this sentence, requesting that the Council studies it and takes a stance about its correction.

The Council determined that the proposal of the Urban Entity was correct and in accordance with the fulfilment of the ruling. The General Meeting of the Urban Entity, in order to comply with the ruling, approved the calculation of the fees based on the criteria proposed and approved in the resolution issued by the Council.

The company Agrofruits Levante, S.L., presented their own proposal about the calculation fees' method, but the Alhama Council did not consider it correct nor it complied with the ruling.

After this municipal dismissal, Agrofruits Levante, S.L. has initiated before the Court that issued the sentence an incident that is legally called "execution of sentence", in which they state that the method of calculation of the fees approved by the Council and the one followed by the Urban Entity does not comply with the criteria established in the sentence itself.

Faced with this judicial claim of Agrofruits Levante, S.L., both the Council and the Entity must present our respective allegations before the Court, to defend our common version on the correction of the new method of calculation of fees implemented in compliance with the sentence. Finally, the judge will decide in the sense that he deems appropriate.

4. Final location of the pharmacy.

Antonio Castrillo stated that in the last few weeks, the possibility had arisen of locating the pharmacy in another location different from the one initially planned and approved by owners in the General Meetings. The option had arisen of installing it in the Showroom; the pharmacist was in contact with the owners of this, and she liked it as a facility, but she did not regard its location as being the right one, as it is too far from the entrances, and she preferred the initial location.

Neil Simpson indicated that the location and the cost were approved by owners in the General Meetings, and that the location should not be changed without owners voting on it again.

Bob Whitty added that the new proposal could be taken into consideration and voted on if the pharmacist agreed with locating it in the Showroom, but given that this is not the case, it is a good idea to pursue the initially agreed plan.

Antonio Castrillo requested the Councillor to urge the Council to act in order to be able to get it up and running as soon as possible.

The whole Management Board is in agreement with keeping the planned location next to the main gate and speed up all the processing for its implementation.

5. Scientific advance, via a polymer, allowing a 30% saving in irrigation water. Possible implementation.

Antonio Castrillo reported that he had received information about a new substance, a polymer that when added to irrigation water, can generate significant savings in irrigation water, estimated between 30 and 50 percent. He will send all the information received to the head of the gardening committee. This new component could considerably reduce our dependency on irrigation water.

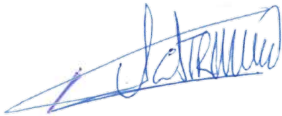
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- The Councillor indicated that this year, due to the current situation, the two companies that had participated in the tender for holding the market on the outer ring have reported that they are not interested in holding it, and therefore the market for this year cannot be managed through the Council. There are two possibilities: the first is that this is held privately

with some other company on the inner ring or on the Al Kasar; one company who might be interested has contacted the Council. The second possibility is not to hold it this year, and postpone it until next year. Neil Simpson reported that he will discuss this with the managers of the Al Kasar. Owners agreed in the General Meeting that the market should be held on the outer ring.

- The Councillor asked about transport for this summer. Neil Simpson indicated to him that this cannot be dealt with until we know the approved measures, as capacity is currently highly reduced and it is not going to be profitable. The Councillor indicated that this capacity is about to be imminently increased. Neil Simpson stated that the current financial position of the Entity is extremely weak, and that this is pending the resolution of the Agreement and the Agrofruits issue. The Councillor remarked on the importance of having this connection with Alhama de Murcia town centre.

There being no further business, the meeting was adjourned at 16:00 hours, whose content I bear witness to and sign, with the approval of the president.



SIGNED: SECRETARY-ADMINISTRATOR



THE PRESIDENT