



QUINTA do MONTINHO
OWNERS ASSOCIATION
(QDMOA)



15 December 2021

QDMOA-SR(2021)0001

ANNUAL GENERAL MEETING (AGM)

Meeting Held at the Clubhouse Spike Restaurant, Golfe Santo António
on Thursday 18th November, 2021

SUMMARY RECORD (Final)

1. Welcome and Opening Remarks

The Meeting noted :

- a. that the meeting convened at 10.37 hours;
- b. the welcome by the Chairman to the 2021 Annual General Meeting (AGM) of the Quinta do Montinho Owners Association (QDMOA);
- c. that we again meet at a time when our Service Provider, Golfe Santo António (GSA), continues to be in financial difficulties as a result of significantly reduced tourism again during 2021 as a result of the COVID-19 situation and travel restrictions;
- d. that GSA continues to be under the control of the Judicial Administrator, Dr. Carlos Inácio and his assistant, Dr. Rui Rosado; and
- e. that the meeting would provide updates vis-à-vis the QDM finances, its infrastructure, and the ongoing and future management of QDM.

1.(a) Quorum for the AGM

The Meeting noted :

- a. that each fully paid-up member of the OA forms a potential element of the Quorum;
- b. that the number of OA members who have fully paid up in 2020 and 2021 is 62 (37 outright owners, 25 fractional owners, 91% of the total number of owners); and that, for a quorum, 50% +1 is required, i.e., 32 members either attending, or having provided a proxy;
- c. that a Quorum was established for the meeting (69%), with a total of 43 members (10 attendees and 33 proxies); and

- d. apologies for absence from those members who had acknowledged receipt of the notification of the AGM, or had provided a proxy; and that the List of Attendees, and Apologies for Absence is at Annex 1 to the Summary Record.

1.(b) Appointment of Secretary for the AGM

The Meeting noted that David Murphy would produce a Summary Record of the Meeting, excellently assisted by Claire Barnett noting questions and clarifications.

2. Approval of the Agenda

Reference. QDMOA-A(2021)0001 dated 30th October 2021

The Meeting noted :

- a. that the Agenda for the meeting (at reference) was published to the OA members on the 31st October 2021;
- b. that, in accordance with the Articles of the Association, the Agenda was published more than 15 (fifteen) days in advance of the AGM; and
- c. that the Agenda was approved.

3. Summary Record and Actions Arising from the 2020 AGM

Reference. QDMOA-SR(2020)0002 dated 21st December 2020

The Meeting noted :

- a. that the Summary Record of the 2020 AGM (at reference) was published on 21 December 2020 following approval by the Committee and the OA members;
- b. that Annex 4 to the Summary Record of the 2020 AGM contained the List of Actions Arising;
- c. the Chairman's report on the Actions Arising from the 2020 AGM, noting the following :
 - **Action 01** – Establish a separate OA bank account for the Reserve Fund and transfer from existing OA subscriptions account; the establishment to be re-considered, pending finalisation of financial arrangements with a new Management Company; and following transfer of the remaining Fractional Owners' Sinking Fund amounts – **Action ongoing** – that the action is pending finalisation of financial arrangements with a new Management Company and future handling of, for example, C&U charges; and noted that it is not advised to transfer the Fractional Owners' Sinking Fund at this time to the Overall House Account as no assurance can be given with respect to the money following any transfer of ownership of GSA;
 - **Action 02** – QDM Security – continue to look at options that can then be presented at a later date to the Owners for their consideration and vote, including looking at the QEV CCTV installation and experience and how it could be applicable to QDM – **Action ongoing** – that the Committee would continue to look at options, and at the QEV CCTV installation and experience and how that could be applicable to QDM; and given the limitations associated with the Portuguese law on the use of CCTV;

- **Action 03** – Draft Community Services Agreement (CSA) – update and circulate to members, pending finalisation of arrangements with a new Management Company – **Action ongoing** – that the action is pending finalisation of arrangements with a new Management Company; and is subject to ongoing discussions;
- **Action 04** – Solar Options for QDM - continue to look at costings and options for the pool and domestic water infrastructures, pending finalisation of financial arrangements with a new Management Company – **Action ongoing** – that dependent upon funding arrangements, commission a specific and independent review of the state of the pool and domestic water infrastructure equipment - likelihood of repair and replacement; the review to include consideration of low voltage solar-powered pumping and heating. The review to be initiated following the implementation of the management arrangements with the new Management Company in 2022; and

[Note – it was noted that the Reserve Fund is slowly increasing; however, noted that the Reserve Fund should not be permitted to go below € 20,000 – to allow (in the event of a major loss of the domestic water infrastructure) a complete replacement of the domestic water pumps and supporting infrastructure]

- **Action 05** – Communal Gardens - on completion of the current thinning and trimming of the pine trees between the front row and the pool, a review of the communal gardens to be undertaken in 2021 to include, inter alia, the function of the pine trees, and shielding of the pool – **Action ongoing** – the review to be commenced in early 2022 as part of an overall review of the communal pools and surrounding areas cleanliness requirements, and communal gardens, also taking into account the need to better secure the access to the pool (the gates) and the surrounding area (the fencing and hedges); and

d. the following clarifications :

- that the domestic water quality had changed (hardened) over the last two years; that it was assumed that it was related to the Camara's water supply from the tank at the top of the QDM hill; that owners had needed to change, for example, boilers, kettles and white goods; that water was held in a tank below the QDM Reception building and then pumped to the villas and townhouses; that when the water supply is cut to the village, there is a lower water pressure to the houses and, depending on QDM occupancy, normally half a day before it is lost; and that a query can be made to the Camara at Vila do Bispo with respect to the quality change;
- Reserve Fund – that each house contributes annually (€100) towards major repairs and replacements relating to the domestic water, pool and irrigation infrastructures; and
- Sinking Fund – that this is only applicable to the eight Fractional properties; that the Sinking Funds were originally held by GSA; that were moved to the OA bank account when GSA encountered financial difficulties; that six properties now manage their own Sinking Fund with their own accounts and contributions; and that two remain held by the OA.

4. Administration and Liquidation Process

4.(a) Golfe Santo António (GSA) – Status of Administration / Liquidation Process

The Meeting noted the following on the current status of the Administration and Liquidation process, and clarifications provided :

- a. that due to COVID-19, GSA continues to suffer financial difficulties; the relaxation in travel restrictions coming too late to save the 2021 summer, although there has been a significant increase in the autumn on the golf course;
- b. that on the 6th October 2021, the Creditors' Committee was held to address the future of GSA; that following a vote, it was decided that GSA would continue to operate; that the company is being offered up for sale, as a package (golf course, property management and services); that sealed bids are anticipated in a 30 to 45 day period; that interested parties may be external companies or a group of Owners from the Parque;
- c. that there was no current news on the sale of the company;
- d. that the new owners would have to sort out the legal aspects, for example, of the spa, pool, gym, and reception building; that the Judicial Administrator has been trying to legalise, without success, following several meetings with the Camara; and that there is now a new mayor at Vila do Bispo who may be more amenable to discussions with GSA;
- e. that the level of debt to GSA from all Parque-related owners is over €1m;
- f. that Staff payments continue to be up-to-date, but not including holiday bonuses;
- g. that the original quoted price was €9.8m; that 3 years ago, NAU offered €3m; that they only wanted the golf course for their clients at View 2 (Salema Beach Villages); and that they were not interested in property management or communal services; and
- h. **Owners' Money** – that House Accounts continue to be protected in a separate GSA House Account bank account; however, there is no assurance that the money held by GSA on behalf of Owners is protected on the sale or the demise of the company; and that owners are keeping House Accounts to a minimum or withdrawing money.

5. Executive Committee

The Meeting noted that the Report from the Chairman of the Executive Committee had been sent out to the members together with the notification of the Meeting.

The Meeting noted a summary from the Chairman, Executive Committee highlighting the following aspects :

- a. the financial difficulties of GSA in 2021 – COVID-19, dramatic downturn in tourism but some help with the golf course in the autumn and winter;
- b. the reduction in GSA staff numbers and the impact of provision of services to QDM;
- c. the collection of the C&U payments by the OA; and
- d. the Contingency Plan – the need for the continuation of essential services to QDM in the event of failure of GSA, and seeking the views of the owners on the way forward.

The Meeting noted that a copy of the Report from the Chairman of the Executive Committee would be attached to the Summary Record of this AGM (see Annex 2), and posted on the OA Web site.

6. QDM Finance

6.(a) QDM Owners Association Accounts – Report by the Fiscal Board

The Meeting noted that the Fiscal Board Report had been sent out to the members together with the notification of the Meeting.

The Meeting noted a summary of the Fiscal Board Report which had been approved by the Chairman, Fiscal Board, highlighting the following aspects :

- a. the Community & Urbanisation (C&U) charges for 2021;
- b. OA subscriptions – Income and Expenditure;
- c. OA Reserve Fund – Income and Expenditure;
- d. Quarter Share Sinking Fund Account;
- e. Reconciliation of Account Balance to the Bank account – as at 31st December 2020;
and
- f. 2021 Update.

The Meeting noted the following clarifications :

- a. that in June 2015, the four perennial non-payers were subject to court injunctions, with frozen bank accounts, and liens on properties; that little has occurred in the Courts to get the money back to GSA; and that the Courts' offices are under-resourced given the number of debt collection cases;
- b. that when the sale of a property gets to the Notary there is a chance that the debt can be retrieved; that, in Portugal (unlike Spain), when the property is sold, the debt is not automatically passed on to the new owner; that the legislation to change this aspect is under review in Portugal; and that a property of a non-payer is currently under offer;
- c. that an additional non-payer is currently in negotiation with GSA; and that, if not resolved, will be taken to Court by GSA;
- d. that even when GSA is sold, the debt to GSA does not go away;
- e. that when expenditure comes out of the Reserve Fund, there is little chance of redress on the non-payers because of the legal costs involved;
- f. that, in 2014, it took some persuasion to get the Judicial Administrator to take the necessary action in the Courts; that a proposal to use a UK debt collection solicitor was declined; and that in 2015 the irrigation to the non-payers was cut off;
- g. that the total debt from QDM non-payers is nearly €100,000; and that the debt is to GSA and not to the OA; and

- h. that more detail vis-à-vis the accounts will be provided in the 2021 Fiscal Board Report to the 2022 Annual General Meeting, given the commencement of the collection of the C&U charges by the OA from the beginning of August 2021.

6.(b) Approval of the QDM Owners Association Accounts

The Meeting noted the explanation of the voting for the AGM; that Outright Owners had 12 (twelve) votes each, and that Fractional Owners had 3 (three) votes each.

The Meeting voted on the Approval of the Fiscal Board Report and the associated QDM Owners Association Accounts, taking into account the votes of the attendees, and the proxies; and noted that there were 402 (four hundred and two) votes in favour of approval of the QDM Owners Association Accounts, and that there were 0 (zero) votes against.

The Meeting approved the QDM Owners Association accounts.

The Meeting noted that a copy of the Fiscal Board Report would be attached to the Summary Record of this AGM (see Annex 3), and posted on the OA Web site.

7. QDM Infrastructure

7.(a) Infrastructure Updates – Status Report

The Meeting noted :

- a. that the situation regarding the provision of services has been deteriorating over the last months in all areas, covering the following :
- that the communal pool has not been kept as clean as it should have been over the summer months, nor have the surrounding areas (the responsibility of housekeeping);
 - that the communal gardens and private gardens have not been maintained as well as they should have been – for example, the lawns, the hedges and the palm trees (despite the efforts of José and his very limited team – sometimes just him plus one enlisted from the greenkeepers);
 - that the QDM sewerage system has not been subject to its annual inspection (from top to bottom);
 - that the calcada has not been kept clean and areas under the gratings have not been cleaned; and
 - that these aspects have been highlighted to GSA but they do not have the staff levels (now less than 70) to maintain the required service levels;
- b. the following updates :
- palm trees – that GSA will be forwarding a quote to each private garden owner managed by GSA; that the cost of pruning / cleaning each palm tree would be € 61.50 (including IVA); and noting that some trees are 2 in 1 (so twice the cost) (Note - quotes forwarded 17th November); and
 - speed bumps – that the one at the top of the hill will be repaired, together with the one halfway down the hill;

- c. QDM Perimeter – Fire Safety – that the National Authority for Civil Protection sets the requirements for landowners for clearing land for fire safety reasons; and that in order to ensure that the perimeters of QDM are protected in accordance with the National Authority's requirements we will be seeking the advice of / inspection by the Bombeiros at Vila do Bispo at the beginning of 2022 to determine what should be done in the first few months of 2022 and who should do it; and
- d. Parque da Floresta and Quinta do Montinho (QDM) Infrastructure Review – that a review is to be held in conjunction with the Camara (this following the Judicial Administrator's discussion with the Camara); that this is to fully document the roads, water and sewerage infrastructure; and that this is the start point which might lead to the eventual formal adoption by the Camara which, as an aside, would include the QDM domestic water pump infrastructure; noting the following :
- that the road from the 125 roundabout to the corner at the bottom of the QDM hill is an unadopted road; and that the road is unlikely to be adopted in the near future
 - that the OA owns the domestic water pump infrastructure (bought from the Reserve Fund some years ago, and have replaced a couple of the pumps), and takes care of the ongoing maintenance through GSA;
 - that in the event that the Camara adopts the infrastructure they would then be responsible for its ongoing maintenance; and
 - that the pumping of water to the QDM properties is the most critical part of the QDM infrastructure; that if there was a problem, what level of reliability could we place on the Camara to react in an appropriate timeframe; and that we would strongly recommend continuing to have our own maintenance capability in place (through the property management company).

7.(b) Solar Options for QDM – Status Report

The Meeting noted :

- a. that as indicated in the Actions Arising from the 2020 AGM, action is ongoing; that dependent upon funding arrangements, would commission a specific and independent review of the state of the pool and domestic water infrastructure equipment - likelihood of repair and replacement; that the review to include consideration of low voltage solar-powered pumping and heating; and that the review to be initiated following the implementation of the management arrangements with the new Management Company in 2022;
- b. that initial discussions suggest that we could address this from two aspects – in terms of providing electricity : pool heating and circulation pumps - a number of panels on the roof of the storage building adjacent to the pool heat exchangers, and domestic water pumps - a number of panels on the roof of the QDM Reception building which also houses the pump room; and that we should also consider a backup generator for the domestic water system; and
- c. that there was an interesting offer from EDP at the moment, including installation of panels and payment being spread over a number of months / years.

The Meeting noted the following clarifications :

- a. that the roof areas were probably adequate; and that there would need to be an infrastructure to the showers building;

- b. that excess power generated cannot be sold back to EDP; and
- c. that the costs of an installation are currently unknown; and that it was again noted the Reserve Fund should not be permitted to go below € 20,000 – to allow (in the event of a major loss of the domestic water infrastructure) a complete replacement of the domestic water pumps and supporting infrastructure.

8. Management of QDM

8.(a) Contingency Plan – Way Forward

The Meeting noted :

- a. that in the event that GSA fails to provide services due to its financial and staffing difficulties (or if it is sold to a Company who does not provide the necessary communal services), the Committee will act quickly to try to ensure the continuation of essential services to QDM;
- b. that the Committee has developed a Contingency Plan addressing the following main aspects –
 - provision of electricity and payment of electricity bills supporting the communal domestic water and pool infrastructures;
 - change of responsibilities (addresses and named persons) for the various communal bills;
 - provision of water and payment of water bills supporting the communal domestic water and pool infrastructures; and
 - additional details including payment arrangements, maintenance of the communal gardens, the pool and pool surrounds, domestic water pump infrastructure, house accounts, reception services, mail handling, fractional owners – specific supporting services, meetings and monitoring of Standards;
- c. that on 9th November, an e-mail was sent out to the Owners seeking their views on the way forward, addressing the following Options :
 - **“Option 1** – GSA will continue beyond the end of the year (even if a sale were agreed shortly) – if services are less than fully acceptable, we establish a deadline for making the break, e.g., 31 December 2021; and proceed to establish services with the new Management Company. The C&U charges for each property would expect to be reduced by about 10%. The **“Make a Break”** option; and
 - **Option 2** - we continue with GSA, – “loyalty to GSA staff” outweighing the “less than fully acceptable level of communal services to QDM”. Eventually there will be a buyer for GSA and we wait and see if the new company can satisfy our service requirements. The **“Wait and See”** option”;
- d. that on 12th November, a reminder e-mail was sent out to the Owners indicating that “voting closes at midnight 15th November”; and that voting closed at midnight 15th November;

- e. that there was a turnout of 85.5% of the OA members, a high turnout, with the following result :
- **Option 1** – 43.4 % in favour; and
 - **Option 2** – 56.6 & in favour;
- f. that the preferred option of the owners was the “Wait and See” option; and
- g. that the implications of the result were the following :
- that we will continue to work with GSA to try and obtain as best we can vis-à-vis the services;
 - that we will also continue to collect the C&U charges and pay GSA according to the level of services – we will meet with GSA on a monthly basis to agree what has been achieved and what has not been achieved;
 - that we will clearly continue to monitor the situation with respect to the sale of GSA and timelines, and to whom;
 - that we will develop a budget for 2022 and hopefully reach an agreement in early 2022 on both the budget and realistic service levels; and that if the service levels are realistic and the resultant C&U charges are realistic we may then consider returning the collection of the C&U charges to GSA (Jorge Ricardo); and
 - that we will continue to maintain the Contingency Plan and liaise with the Property Management company of QEV – to ensure that we are ready to “Make the Break” if required.

The Meeting noted the following clarifications :

- a. that the Property Management company of QEV (IHPM) has a mixture of staff and access to a range of companies (pools- and garden-related) to support the needs of QDM;
- b. that service levels were below a certain level; that the GSA staffing level at the beginning of the summer was 97, and now 67, insufficient to carry out the full functions; that the full amount of the C&U charges was being collected by the OA but not paying the full amount to GSA, currently 75%; that GSA were not happy but understood the reasons; and that a reserve was building up on the C&U account;
- c. that we were advised that GSA would like the gardeners to work Saturdays and get paid overtime, and would look at potentially contracting out, finances permitting;
- d. that we are authorised as an OA to contract out for services (2013 AGM refers); that we do not have the resources to contract out multiple services; that our preference is to continue to work with one company to address all of our relevant communal assets and services; and that individual owners with property management services, gardening, and Fractional Owners management services can contract with companies of their choice – whether it be GSA, Cando or whomever; and
- e. that Fractional Owners would have to give three months’ notice if they wished to change from GSA.

8.(b) Community Services Agreement (CSA)

The Meeting noted :

- a. that the original CSA was signed by Owners in the 2005/2006 timeframe; that the signatories to the Agreement were the Owner, GSA (the service provider) and Eliot, Fryer & McFadden (EF&F) (the original developer of QDM); and that given EF&F as a company has been officially dissolved we asked the OA solicitor as to its validity given the dissolution of one of the signatories;
- b. that the OA solicitor provided the following answers :
 - “the fact that one of the contracting parties no longer exists doesn’t necessarily mean that the contract becomes immediately null and void. It will still be in place if it can continue with the remaining parties; and
 - GSA, even though in insolvency, is still not liquidated and dissolved, hence if they can still abide and fulfil the terms of the contract it will be somewhat difficult to argue the nullity of the contract”
- c. that we have many new owners; that a revised Community Service Agreement is required whether it be with GSA or with a new Management Company, based upon a draft previously agreed in principle at the 2013 AGM; and that it is to be updated;
- d. that a revised draft will be forwarded to the owners following agreement within the Committee; that we can then negotiate with GSA; that the new CSA includes detailed service levels; and that there is no current provision for firing GSA;

The Meeting noted the following clarifications :

- a. that there are service levels currently which is why payment to GSA is not in full;
- b. that the agreement would be signed between the individual owners and GSA; and
- c. that GSA had been in difficulties since August 2012; that an Insolvency Plan was approved by the Courts in December 2012; and that GSA had been working to that Plan since then under Judicial Administration.

9. Actions Arising from the Annual General Meeting

The Meeting noted that the Actions Arising from the AGM would be listed as an Annex (see Annex 4) to the Summary Record.

10. Summary Record of the Annual General Meeting

The Meeting noted that a Summary Record of the AGM would be produced and circulated to all for approval, following initial approval within the Committee attendees; that a draft Summary Record would then be forwarded to all members of the Owners Association; and that Members had 10 (ten) days to comment on the Summary Record.

11. Any Other Business

The Meeting noted :

- a. Reserve Fund Contributions – that consideration should be given to inclusion in the C&U budget, noting that it is not a voluntary contribution; that, since the beginning of August, the OA has not collected the Reserve Fund contribution; that if we have a surplus on the C&U at the end of the year we may not collect the remainder of the Reserve Fund contributions for 2021; that we will look at inclusion in the budget for 2022; and that the annual contribution is €100 per house (plus €20 for OA membership);
- b. Green garbage bins – that the lids are broken; and that this would be raised with the Camara at Vila do Bispo;
- c. Pool Access and Security – that assurance was given that the subject of the pool gates and fencing would be addressed before the summer season of 2022; and
- d. Street Lights – that the street lights are the responsibility of EDP; that if there are light failures these are raised by GSA to EDP who call out their contractor, JSV.

12. Closing Remarks

The Meeting noted :

- a. the Chairman's thanks for the participation of the Members – the attendees and the proxies;
- b. that the Committee will continue to do everything possible to ensure that QDM is maintained appropriately;
- c. that the next Annual General Meeting would be scheduled for May / June 2022; that it is election year when all posts on the 3 Committees will be up for election / re-election; and noting that it was always possible that an Extraordinary General Meeting (EGM) might be required or a need to put some options to a virtual vote amongst the membership;
- d. that the Committee would continue to keep the Owners up-to-date with periodic e-mails and periodic updates to the OA web site, for example, the Newsletters and Bulletins;
- e. the Members' appreciation of the work done by the Committee; and
- f. that the Meeting concluded at 12.48 hours.

List of Attendees

QDM Owners Association – Committee

- David Murphy QDM 24 Executive Committee
- Claire Barnett QDM 22 Executive Committee
- Martin Peters QDM 21 Executive Committee
- John Chisholm QDM 38 Fiscal Board

QDM Owners Association – Members

| | | | |
|--------------------|--------|-----------------------------------|--------|
| Stefano de Marchis | QDM 5 | Michael & Pamela Eden | QDM 39 |
| Val Driver | QDM 20 | Ian & Jan Clarke | QDM 44 |
| Kevin Bryan | QDM 31 | Dave Atherton & Loraine O'Connell | QDM 34 |

Apologies for Absence / Proxies

QDM Owners Association – Committee

- Jim Lorimer QDM 4 Fiscal Board
- Carol Ball QDM 19 Fiscal Board
- Mike Wilkes QDM 29 General Meeting
- Pieter Beuger QDM 3 General Meeting

QDM Owners Association – Members

| | | | |
|-----------------------------------|--------|-------------------------------------|--------|
| Roy & Chris Allan | QDM 1 | Ron & Cora Van Dijk | QDM 26 |
| Malcolm & Susan Austin & Buddell | QDM 6 | Peter & Gemma Rayment | QDM 26 |
| Jeremy & Dee Connor | QDM 7 | Tom & Rhoda Philbin | QDM 26 |
| Marc Rasselet & Jean-Louis Brosse | QDM 8 | David & Judith Page | QDM 27 |
| Gwen Beacham | QDM 10 | Karen & Peter Regent | QDM 27 |
| Christine Kennett | QDM 10 | Martin & Liz Lang | QDM 27 |
| John & Rachel White | QDM 11 | Eirlys & Sian & Carys Jones | QDM 28 |
| Michael & Pauline Sharpe | QDM 12 | Peter & Christine Farrar | QDM 28 |
| Ian Chamberlain | QDM 13 | Barbara Claxton | QDM 29 |
| John & Denise Walsh | QDM 14 | George & Mary Harris | QDM 29 |
| Ian Munro & Pauline Binnie | QDM 15 | Ian & Judith Jordan | QDM 30 |
| Malcolm & Marie Yuill | QDM 16 | Richard & Ingrid Schattman | QDM 32 |
| Peter & Pauline Fisher | QDM 17 | Stuart Kenyon | QDM 35 |
| Pedro & Sylvia Dubois | QDM 18 | Alexander & Christine Brodie | QDM 40 |
| Brian & Yvonne Wickes | QDM 23 | Philippe & Monique Etienne | QDM 42 |
| Murray & Denise Hardie | QDM 23 | Werner & Liana Runge | QDM 43 |
| Peter & Janet Curtis | QDM 23 | David & Christine Thurnham & Clewes | QDM 46 |
| Adrian & Jacqui Williams | QDM 23 | David & Fran Curtis | QDM 48 |
| John & Cassie Kennedy | QDM 25 | John Skinner | QDM 49 |

REPORT by the Chairman, EXECUTIVE COMMITTEE

This year has again proven to be extremely difficult financially for GSA given the COVID-19 situation, and the resultant significant shortfall in tourism and the associated funding sources. The change in the travel restrictions came too late to save the summer, but will help the autumn and winter golfing seasons.

Since the 2020 Annual General Meeting (AGM), Golfe Santo António (GSA) has continued to operate under the Judicial Administrator, Dr. Carlos Inácio, with the Administrator making the financial decisions. We have had a number of meetings with the Judicial Administrator, addressing the need to ensure continuity of services to QDM.

In the first two quarters of 2021, the Judicial Administrator was assisted by a management company, Amazing Evolution. The company proved to be less than amazing, with the result, for example, that there was no agreed Budget between QDM OA and GSA. The company withdrew its support to the Judicial Administrator in the summer.

Over the past few months we have regularly updated the Owners with respect to the GSA situation. Importantly, the Creditors' Assembly on 6th October did not recommend the closure of GSA and that it would continue to operate, pending the sale of the company. Staff levels continue to go down with the resultant impact on the provision of services to QDM's communal areas and assets; and thus not meeting the required service levels.

In order to ensure that QDM facilities continue to be presentable and well maintained, the Committee-agreed Contingency Plan has been maintained and updated to reflect the need to ensure, for example, payments of utility bills and ongoing maintenance of the communal areas and associated infrastructure.

Also, given the ongoing situation, the OA decided to collect the Community & Urbanisation (C&U) charges instead of GSA requesting payments. This was to ensure that the Owners' money is properly protected and that we only pay GSA for the level of communal services provided.

In addition, we have decided to seek the views of the Owners on the way forward with respect to the ongoing maintenance of the communal areas and associated communal infrastructure assets. The results will determine if and when we begin the implementation of the Contingency Plan.

We will continue to keep members informed through periodic e-mails, and the publication of periodic Newsletters and Bulletins on the OA web site.

David Murphy
Chairman, Executive Committee
October 2021

Fiscal Board Report

Community & Urbanisation Charges for 2021

With no agreement of the 2021 QDM Budget between the QDM OA and GSA, the charges for 2020 were maintained into 2021 with the minor IVA adjustment resulting in a reduction of €2 per month.

The OA had developed a Budget and proposed it to GSA (and Amazing Evolution). No response was received and the OA has operated on the basis that the C&U revenue would match the budget. To date, we have no evidence of that as we are still awaiting the Actuals for the first quarters of 2021.

The same Budget provisions were proposed, with variable line items (utility bills and general maintenance) and fixed line items (for example, gardens maintenance, pool maintenance and housekeeping) for the communal services provided by GSA.

QDM OA Bank Account Movements/Balances - 31st December 2020

OA Subscriptions

| | | | | |
|-----------------|--------------------------------|----------|----------|-----------|
| Opening Balance | 1 st January 2020 | | | € 5112.77 |
| Income | Owners Subscriptions | € 435.00 | | |
| | Total | | € 435.00 | |
| Expenditure | Cheques – Requisition | € 19.22 | | |
| | Bombeiros – Donation | € 400.00 | | |
| | Web Hosting – QDMOA.org | € 66.41 | | |
| | OA Solicitor Fees | € 127.20 | | |
| | Total | | € 612.83 | |
| Closing Balance | 31 st December 2020 | | | € 4934.94 |

Note – the Owners Subscriptions for the 2nd half of 2020 were transferred to the OA in 2021 and will be reflected in the AGM 2022 Fiscal Board Report.

OA Reserve Fund

| | | | | |
|-----------------|--------------------------------|--|-----------|------------|
| Opening Balance | 1 st January 2020 | | | € 23590.15 |
| Income | Owners Contributions | | € 2175.00 | |
| Expenditure | None | | | |
| Closing Balance | 31 st December 2020 | | | € 25765.15 |

Note – the Owners Contributions for the 2nd half of 2020 were transferred to the OA in 2021 and will be reflected in the AGM 2022 Fiscal Board Report.

Quarter Share Sinking Fund Account.

| | | | | |
|-----------------|--------------------------------|--------|----------|-----------|
| Opening Balance | 1 st January 2020 | | | € 5697.51 |
| Income | | None | | |
| Expenditure | | QDM 10 | € 577.34 | |
| Closing Balance | 31 st December 2020 | | | € 4960.17 |

Reconciliation of Account Balances to Bank Account - 31st December 2020

| | | |
|--|------------|------------|
| OA Subscriptions | € 4934.94 | |
| Reserve Fund | € 25765.15 | |
| Quarter Share Sinking Funds | € 4960.17 | |
| Bank Book - 31 st December 2020 | | € 35660.26 |

2021 Update

In addition to the final 2 quarters of 2020, the first 2 quarters of 2021 Reserve Fund and OA Subscriptions are now reflected in the OA bank account – an addition of € 4350 and € 870 respectively.

We have paid out € 81.02 on web hosting for the QDMOA.org; and we have also donated €400 to the Vila do Bispo Bombeiros.

From August 2021, the bank account now also reflects the Community & Urbanisation (C&U) charges being collected by the OA (instead of being collected by GSA), and the payments made to GSA. Full details will be provided in the AGM 2022 Fiscal Board Report.

List of Actions Arising from the 2021 Annual General Meeting (AGM)

| Action | | Who |
|---------------|--|---------------------------------|
| 01 | <p>Establish a separate OA bank account for the Reserve Fund and transfer from existing OA subscriptions account; the establishment to be re-considered, pending finalisation of financial arrangements with a new Management Company; and following transfer of the remaining Fractional Owners' Sinking Fund amounts</p> <p>Update - Action pending finalisation of financial arrangements with the new Management Company and/or future handling of, for example, C&U charges</p> | <p>Committee</p> <p>Ongoing</p> |
| 02 | <p>QDM Security – continue to look at options that can then be presented at a later date to the Owners for their consideration and vote, including looking at the QEV CCTV installation and experience and how it could be applicable to QDM</p> <p>Update - Continue to look at options, and at the QEV CCTV installation and experience and how that could be applicable to QDM, given the limitations associated with the Portuguese law on the use of CCTV</p> | <p>Committee</p> <p>Ongoing</p> |
| 03 | <p>Draft Community Services Agreement (CSA) – update and circulate to members, pending finalisation of arrangements with a new Management Company</p> <p>Update - Revised draft to be circulated to members following agreement within the Committee, will then be subject to discussions with GSA</p> | <p>Committee</p> <p>Ongoing</p> |
| 04 | <p>Solar Options for QDM - continue to look at costings and options for the pool and domestic water infrastructures, pending finalisation of financial arrangements with a new Management Company.</p> <p>Update - Dependent upon funding arrangements, commission a specific and independent review of the state of the pool and domestic water infrastructure equipment - likelihood of repair and replacement; the review to include consideration of low voltage solar-powered pumping and heating.</p> | <p>Committee</p> <p>Ongoing</p> |

| | | |
|----|---|---------------------------------|
| 05 | <p>Communal Gardens - on completion of the current thinning and trimming of the pine trees between the front row and the pool, a review of the communal gardens to be undertaken in 2021 to include, inter alia, the function of the pine trees, and shielding of the pool</p> <p>Update - The review to be commenced in early 2022 as part of an overall review of the communal pools and surrounding areas cleanliness requirements, and communal gardens, also taking into account the need to better secure the access to the pool (the gates) and the surrounding area (the fencing and hedges)</p> | <p>Committee</p> <p>Ongoing</p> |
| 06 | <p>Domestic Water Quality – query the change in the water quality with the Camara at Vila do Bispo</p> | <p>Committee</p> |
| 07 | <p>QDM Perimeter – Fire Safety - in order to ensure that the perimeters of QDM are protected in accordance with the National Authority's requirements, seek the advice of / inspection by the Bombeiros at Vila do Bispo at the beginning of 2022 to determine what should be done in the first few months of 2022 and who should do it</p> | <p>Committee</p> |