

## MINUTES OF THE BOARD MEETING OF THE RCGG 11th. APRIL 2011

Present: Antonio Guerrero, Christer Palm, Kurt Beckman, Olaf Eie, Gerry North, Godefridus Vest, Elizabeth Holmer Rothstein, Juan Rueda, and Geoffrey Bromige as Secretary. Ciaran Burke apologized for not being able to attend as he was out of the country. Invited, Ignacio del Cuvillo and for point number 7, Carlos Lima.

The meeting is opened at 15:00 with the following agenda:

- 1) Opening of the meeting.
- 2) Reading and approval of the minutes of the previous meeting being that of 14th February 2011.
- 3) Review of the financial statements of the last period which, as agreed at the last meeting, will be distributed to the Board Members during the first 15 days of the following month. The financial statements which will therefore be reviewed will be those for the period ending 28<sup>th</sup> February 2011 and in the event that they will have been prepared, the financial statements for the period ending 31<sup>st</sup> March 2011.
- 4) Take a decision regarding the accounting treatment of the receivable for "loss of profits".
- 5) Review the expense reduction programme to be presented by the manager.
- 6) Review the plan for improvements to the Caddy Master's office and installations.
- 7) Presentation by Carlos Lima of;
  - (i) his recent activities.
  - (ii) his proposed priorities.
  - (iii) financial quantification of the proposed priorities.

Following the presentation decisions will be taken regarding the proposals.

- 8) As agreed at the previous Board Meeting, Christer Palm will report to the Board on his findings regarding the consequences in the event of a third party acquiring a significant block of shares.
- 9) Any other business.
- 10) Close of meeting.

Taking advantage of Carlos Lima being present the Board started with agenda item number 7).

Agenda item 7).

Presentation by Carlos Lima.

Carlos Lima distributed a copy of his most recent report amongst the Board Members being that of March 2011. The report was discussed and the following were the most salient points of interest;

(i) Following several months of working together with the Green Keeper a number of changes to the work routine have been made which include an improvement in planning resulting in an improved condition of the courses and installations and also a consequential reduction in expenses.

(ii) In order to obtain better results from the work that is being carried out on the courses it was decided to reverse the order of maintenance in May and work on the South course first and then the North course.

As far as his priorities are concerned, the majority of them can be carried out within the bounds of the approved 2011 annual budget. There are a number of special projects which will be reviewed by the Course and Facilities Committee at their next meeting which will take place on the 25<sup>th</sup> April 2011 and once those special projects have been reviewed and quantified then they will be presented to the Board at the next meeting for review.

Agenda item 2)

The minutes of the meeting of 14<sup>th</sup> February 2011 were read and unanimously approved.

Agenda item 3)

Review of the financial statements.

Christer Palm and Kurt Beckman, representing all present, asked the manager to please distribute the financial statements during the first 15 days of the following month as had been agreed at the Board Meeting of 14<sup>th</sup> February 2011. The statements dated 28<sup>th</sup> February were distributed to and reviewed by the members who raised a number of questions and observations which were answered and clarified.

It was agreed that Christer Palm and the manager would review the structure of the financial statements in order to be able to present, within the agreed dates, the information in a more understandable format which will also include other relevant information.

Agenda item 4)

Take a decision regarding the accounting treatment of the receivable for "loss of profits".

A discussion ensued as to how this point had been dealt with both internally and by a number of the Board members. After clarifying the situation the Board was in agreement with the treatment that had been recommended by the external auditors which was to reverse the provision that had been made against the receivable from the Marbella Municipality.

As a consequence of reversing the provision, the initial result, which was a loss, became a profit for the year ending 31<sup>st</sup> December 2010 of approximately € 95,000.

Agenda item 5).

Review of the expense reduction programme to be presented by the manager.

The manager informed the Board that he was still working on the programme and that he would report more fully to the Board once it was more advanced.

Agenda item 6).

Review the plan for improvements to the Caddy Master's office and installations.

Various proposals will be made which will be studied and from that review a single proposal will be made to the S.A. in June for its eventual approval at the RCGG General Assembly in November. In the event that a proposal is approved, then it is expected that work could commence at the beginning of 2012.

The possible construction of a building for maintenance equipment was discussed. This project will also depend on the financial resources available and its subsequent approval by the different bodies.

However, taking into account the time necessary for obtaining the relevant licenses, and the relatively low cost of obtaining such licenses, it was agreed that the administrative steps to obtain the licenses should be started now.

Agenda item 7)

Presentation by Carlos Lima.

This item was dealt with above.

Agenda item 8)

Report to the Board by Christer Palm regarding the consequences of a significant block of shares being acquired by a third party.

Christer Palm informed the Board of certain discussions that he had held with other club members who had previously investigated this issue. Following an extensive debate the Board decided to continue studying this issue and take the point up again at the next Board Meeting.

Agenda item 9)

Any other business.

No other business was raised.

Agenda item 10).

Close of meeting.

The time being 18:30 Antonio Guerrero thanked the members for their participation and after setting the date for the next Board meeting on the 6<sup>th</sup> June at 15:00 to be held at the Club House Meeting Room, the meeting was closed.

Antonio Guerrero      Geoffrey Bromige

President                  Secretary