

RFI 002

REQUEST FOR INFORMATION ON THE USE OF HOMEOWNER FUNDS

10 July 2020

Dear Junta

Aside from the odd communication about processional caterpillars and the receipt of the latest Factura, the silence of the Junta continues. Our questions are being steadfastly ignored.

As we Homeowners pay our Factura in July 2020, our minds turn to where this money is going.

Once again, we are reminded that the Homeowners in Cabrera Poligono 1 have been signed up by our Junta to spend at least €276,580 on transformer infrastructure for our Developers. This means that each Homeowner's wallet is being raided for about €1,400.

The Developers seem to acknowledge that they will try to help to pay back the Homeowner investment in this transformer infrastructure by contributing €5000 for each **new** property that they sell and connect to the infrastructure. Given that no new properties are likely to be built in the near future the full recovery of this cost is extremely unlikely in the next decade. However, it seems that the Developers' preference is for the Homeowners to incur the cost and loans to finance the infrastructure instead of the Developers themselves. The current connected Homeowners do not need this new infrastructure at all.

Many of us have significant concerns about this. Indeed, we would like the Junta to provide us with a reasoned and written explanation as to why this unnecessary expenditure does not constitute embezzlement of Home Owner funds? We would like to know why the Developers are exempt from paying for this transformer infrastructure (given the requirements of either the Statutes or given the conditions of the 1993 Agreement)?

Added to this, the 2020 budget indicates that a portion of this expenditure (€198,000) has been earmarked for Contractors and Endesa:

13 Instalacion 2 Transformadores (Construccion Endesa) / Instalations of 2 Transformers.	
Contractors and Endesa	198.000

We would like to ask the Junta to specify the names of the all the most fortunate Contractors / Contracting Companies that will be benefitting from this Homeowner expenditure and the amounts that have been identified for their contracting services. We would also like to know the nature of their services.

In the politest possible way, we would like to be reassured that an undisclosed portion of the above €198,000 is not finding its way to contracting companies owned by or with connections to the non-paying Developers. It does not seem at all appropriate for these Homeowners funds to be wending its way back as revenue to the Developers who should be paying for it in the first place.

Similarly, it would be most unfortunate if the Junta Workman that the Homeowners employ and pay for separately were then used to deliver any of this budgeted scope of work, thereby reducing the costs to the Contractors. Your strong reassurances in this regard would be most welcome.

On the subject of the Arch transformer infrastructure upgrade in 2017 (€24,887.40), once again the Home owners funded this in full with no contribution from the Developers. However, it seems that separately priced work to new homes was included in this cost to the Homeowners. Again, we would like the Junta to provide us with a reasoned and written explanation as to why this does not constitute embezzlement of Homeowner funds.

We are all watching the Almeria court proceedings with interest. Our Junta has deployed Homeowner funds to employ a lawyer to challenge a court ruling which is in the interest of the Home owners. Again, we would like the Junta to provide us with a reasoned explanation as to why this does not constitute inappropriate use or embezzlement of Home Owner funds. How much will the Developers be contributing towards this expense?

As Homeowners are prevented from seeing the Developer budgets, forecasts or accounts we ask the Junta why the Developers feel entitled to act as overlords of the Homeowner Maintenance budgets? Our maintenance budgets should not be used to buy transformer infrastructure or water deposits to create future capacity for the Developers.

The Junta appear to have the view that it is acceptable to spend Homeowner money on anything “as long as it is voted through” by the majority Developer vote.

The Junta need to be disabused of this notion as it is not legitimate to vote through anything and everything. It is just as unacceptable to vote through a €276,580 spend (by Homeowners alone) on transformer infrastructure as it is to vote through the purchase of a Porsche motor vehicle for the same amount. This is why there are laws and Statutes that need to be followed.

We would like all the Junta Delegados to reflect on the above points and to consider very carefully whether the thresholds of criminality are potentially being breached.

There is the risk that complicity in these matters could have far reaching consequences in the event that any homeowners decided to instigate further court actions.

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