

Dear Cabrera owners,

17 December 2021

We respond to the Treasurer's email communication, dated 14 December 2021, excerpts of which are coloured in blue below.

Preliminary treasurer notes prior to the minutes of the AGM 26 November 2021.

Why do we need preliminary notes from the Treasurer? We simply require the Minutes of the AGM. This is simply a personal commentary by someone who is trying to cling on to times gone by.

It's a sad conflicting situation Cabrera has ironically reached as previously predicted. "The Pandora's Box" has finally been opened.

We ask the question: Who actually created all these Pandora's boxes? Was it the Homeowners or do you perhaps think it might have been the Developers? The days of all these secret 'Pandora's Boxes' will hopefully be gone soon.

Of the 28 years of Annual General Assembly's, 2021 has been the second most badly accomplished in my experience, both on the same subject, which is creating conflicting argument, for and against, the irony... Approval of the Junta of Compensation with the applicable "STATUTES".

Overall, this was the best ever Annual General Assembly for the Homeowners. We now all know exactly how our Junta Board operates. We see their evasiveness. We see their cunning. We see the President hitting the table violently several times in an effort to intimidate. We see shocking behaviour by the Junta Board. We see voting slips handed to people with other people's names on them. We see unsupervised voting slips left outside the door. We see microphones withheld from Homeowners who wished to have their say. We see no opportunity to ask questions under AOB.

In 1993 Annual General Assembly, some owners vigorously attacked applying the Statutes, consequently a compromise was reached, "The 1993 agreement" which was then unanimously approved. In 2021 Annual General Assembly, owners vigorously attacked applying the said 1993 agreement, demanding they should be discarded and apply the "STATUTES"! Paradox!

The "some owners" who 'vigorously attacked applying the Statutes were the Developers who had financial difficulties at the time.

There is no paradox at all. In spite of the Court Order telling the Developers to follow the Statutes, the Developers are still trying to use the same 1993 confidence tricks as before:

- a) The Developers said: "If you pay the maintenance and services costs we will let you off the future urbanisation costs". The Developers did not "let anyone off" their fixed quota urbanisation costs at all. It was included in the price of their homes. They simply avoided paying any services and maintenance costs for 30 years.
- b) Passing on the Urbanisation costs multiple times to the homeowners by stealth. The Developers threaten Homeowners with statements such as "You are all Developers now" and you will pay us.

So, let us explore the true intentions of the Developers with regard to the controversial purchase of two new transformers.

At the AGM, the Treasurer was asked how much he and the President intended to contribute towards the costs of the new transformers (both of them are Developers). It was put to him that the Developers should be funding the entire cost of the transformers.

The Treasurer was very evasive and said that it would all be calculated by the assessors that the Junta Board (he) would appoint.

So, let us explore this a bit further.

We can now reveal that we have obtained a copy of a proposed ‘Example draft contribution to infrastructure’ relating to the transformers which is set out below:

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Ejemplo borrador contribuir infraestructura

Plan parcial	m2	991.529		
Descontar ajustes Ayuntamiento	m2	-221.930		
Provisionalmente desconta desconocidos	m2	-66.000		
Total para Contribuir infraestructura	m2	<u>703.599</u>		
2 Transformadores aproximado	ud	2	120.000	
Iva				24.000
Total para Contribuir infraestructura	m2	703.599	240.000	
Total m2	m2	703.599		
Descontar JLJ Previamente contribuido	m2	-283.804	250.579 €	
Descontar Segundo Previamente contribuido	m2	-147.973	130.650 €	
M2 para cobrar infraestructuras	m2	<u>271.822</u>	240.000 €	
Parcela de	m2	1.000	0.88 €	

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JLJ = Jose Luis Jerez Requena (Junta Treasurer)

Segundo = Segundo Ramirez (Junta President)

The above proposal states that there is 991.529m² of land in Poligono 1. It assumes that the costs of the infrastructure are apportioned to landowners on the basis of land-holding.

The proposal ignores the fact that the Homeowners have already made their infrastructure contributions to the Developers in the purchase prices of their homes, so we contend that they do not have to pay anything further at all towards transformer purchases. But, let's put that aside for the moment.

The proposal then says that the Town Hall's land needs to be deducted from the total as the TH does not have to pay towards infrastructure costs. This leaves a total of 703599m². It assumes that the cost of the two transformers (€240.000) needs to be assigned to the owners of this land. The calculation ignores the IVA that has to be paid - €24000.

The proposal then appears to say that there is 66000m² of land for which they cannot identify an Owner to assign costs. It therefore appears that the Treasurer of the Junta, who has been in post since 1993, does not have a full record of ownership of land in the Junta de Compensacion. Costs cannot therefore be recovered from these 'silent unknown Junta members'. By the way, where are the Banks that own repossessed land in all of this?

The proposal then asserts that the two main Developers (The Treasurer and the President) are entitled to a generous 'discount' because of their 'previous contributions' to the Cabrera infrastructure. It does not take into consideration the estimated €2.500.000 of unpaid services and maintenance debt that the Developers have run up. It also does not take into account that the Homeowners have already made their required fixed infrastructure contributions "concrete quotas".

This means that it is proposed that all the costs for the transformers will be assigned to the Homeowners and the Developers will pay nothing. It is proposed that each Homeowner will pay €0.88 per square meter of land owned to fund the transformers that should have been provided by the Developers in the first place according to the Urbanisation Plan.

This proposal should give a fascinating insight into the mindset of the Developers who are trying to turn the Homeowners into 'captive investors' and 'captive Developers'. This type of attitude is often seen when dealing with confidence tricksters. It is a brass-necked 'You owe me' type of negotiating attitude.

Seemingly, some owners will object, simply for the purpose of objecting or have been instructed. From the very instant the meeting began; it was some owner's determination to disrupt and cancel the AGM.

It was clear from the beginning of the meeting that the Junta Board was intent on railroading their Agenda through. The Junta Board wheeled in several 'Advisors' that were not pre-authorized as required in advance of the meeting. Indeed, the Junta Board had refused to name those that were advising them prior to the meeting.

As the Junta Board had not followed the instructions of the Court, it was not clear as to who the Debtors were and who the Creditors were to the Junta. Debtors are not permitted to vote at the AGM and therefore this means that the 2021 AGM voting is null and void.

The very first item on the agenda. The approval of the minutes of the previous 2019 AGM. We had owners arguing against the approval of the minutes, owners who weren't even present at that assembly.

As the Junta Board had not followed the instructions of the Court, it was not clear as to who the Debtors were and who the Creditors were to the Junta. Debtors are not permitted to vote at the AGM and therefore this means that the 2021 AGM voting is null and void.

It is a ridiculous situation where majority shareholders are approving minutes when they are potentially the biggest debtors in the building. They probably do not have the right to vote or to be on the Junta Board.

We saw owners arguing against the approving the accounts for the year 2019 and 2020 when they have had one and two years to do so.

The first reason is because extensive queries on the FY18 accounts were ignored by the Junta Board. These accounts feed into and form the basis of the 2019 accounts and so there is no possible way of approving the 2019 accounts or 2020 accounts.

The second reason is that the Junta Board refused to answer any questions on the 2019 accounts.

During the past 'one and two years' the Junta Board has failed to answer any of the questions on the FY18 and FY19 accounts. What do you expect?

We saw owners arguing against the continue completion of Cabrera according to the 19 zones, necessary to resolve the electricity conflict to those owners who need it most and comply with the Town Hall insistence.

It is debateable as to whether the 19 zones are legal. When they were established, planning laws did not allow for this to happen and where it subsequently became possible, there are specific criteria that have to be met.

The legality of the First Occupation Licences that were issued on the basis of 'completed zones' is being investigated by the Vera court and this has been the case since late 2017. We are not arguing against completion of the Urbanisation. We just want an adult conversation about who is going to pay for it. The Homeowners have already paid their fair share once.

We also wish to ensure that we appoint reputable contractors who will live up to their obligations rather than leaving the urbanisation unfinished.

And the irony of it all, owners voting against the proposal to study the possibility of updating our 30-year conflicting Statutes, considered necessary to comply with updated legal urbanization regulations. So much friction could be avoided if owners only took the time to study the so much demanded Statutes.

As far as we are aware current planning laws still state the same with respect to who has to pay for urbanisation costs and their subsequent maintenance.

The only reason that the Junta Board is trying to modify the Statutes is because they wish to cling to the favourable arrangements that they have benefitted from under the 1993 Agreement. The disparate voting arrangements in the Junta de Compensacion mean that Homeowners will have very little, if any, influence over any modification to the Statutes. This Junta Board needs to understand that it does not have the power to modify the Statutes if it means changing a matter of Law. You cannot vote on a matter of Law.

Owners arguing against contracting independent professional technical personnel to evaluate cost of infrastructure and contributions as instructed by the court judgement.

The Junta Board and its Lawyer are absolutely incapable of appointing an independent person to carry out the Court instruction. It seems obvious to us that you do not ask the perpetrators of the illegality to audit themselves. We want a **FULLY** independent auditor - not a stooge that is appointed by the discredited Junta Board.

This situation needs and must be resolved with dialogue, not promoting a hate atmosphere creating unnecessary tension and avoiding the “A lie repeated 1000 times becomes truth” with fake misleading information. Constructive criticism is always welcomed but not destructive.

We have raised an abundance of unanswered questions. It is absolutely clear that the Junta Board does not wish to act in an open and constructive manner. It is time for the perpetrators of the illegality to release the Homeowners in Cabrera from captivity.

Will the “transformer” in the La Pilica area become a reality if the Treasurer tells the Home Owners that he has provided one over and over again?

Pandoras box has now been opened and with it comes the predicted legal trials and tribulations. It will take considerable time to resolve, probably years in Court.

A Court Order was issued against the Town Hall on 23 November 2020 and this was formally enacted on 17 June 2021. The Court Order instructed that fee invoices should be raised according to the Statutes, back dated to 23 November 2020. This has not been done.

The Court Order also instructed the Town Hall to ensure that a full calculation of the Debtors and Creditors to the Junta should be carried out back to 1993. This has not been done. Therefore, we do not know who had the right to vote at the 2021 AGM. Debtors are not allowed to vote.

If there is any ongoing court wrangling, then this will happen with the current Cabrera Statutes being in effect.

However, in the meantime, let us all hope that the forthcoming EGM will enable discussion and exchange of ideas to take place, enabling Cabrera to at least carry on providing the essential services that we all need to continue living in this magical location.

This magical location will be far more magical if the Junta Board would just obey the Law and follow the Statutes. The Junta Board needs to stop funding the capture of the Homeowners with Homeowner money. We note the new focus that you have put on at least providing ‘essential essential services’ as if, all of a sudden, there is no maintenance

required in Cabrera. It is time for you to follow the Law instead of holding us all to ransom.

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