

INSIDE THE MIND OF THE JUNTA TREASURER

15 February 2022

Open Cabrera paid a visit to the Junta Offices on 11 February 2022 to meet with the Treasurer in an effort to discover what is happening with regard to the proposed EGM and what has happened since the somewhat farcical AGM which was held in November 2021.

The Treasurer outlined his vision for the future allocation of maintenance and services costs, indicating that "Landowners without houses do not have to pay for services because they do not use them".

Open Cabrera points out that the Statutes make no such distinction and dictate that all costs of running the urbanisation will be shared according to Land Ownership until handover of the completed Urbanisation to the Town Hall. We have told the Treasurer several times to read and apply the Statutes (as has the Almeria Court) but he is intent on making up his own rules and attributing as many costs as he can to what he deems to be services so that Developers can avoid their financial obligations.

The Treasurer indicated that Accountants will need to analyse what he claims is owed to himself and Segundo (the President). This will be checked by 'an Official' and they will have to use the official 'Junta de Andalucia price structure'. He announced that the Homeowners have 'shot themselves in the foot' and will have to reimburse the Treasurer and President. He added that the Treasurer and President will only have to contribute towards the maintenance costs and not the claimed 'services' costs element. He also estimated that his own personal contribution to the Cabrera infrastructure was €2.5 million.

Open Cabrera notes that it will be interesting to consider how any reputable Accountant could carry out an assessment of what our Treasurer has actually contributed to Cabrera. The Treasurer has failed to produce or publish any Developer Accounts for the Junta over the past 30 years so there is absolutely nothing for any reputable Accountant to scrutinise. One can only picture the Treasurer rummaging through his wallet and desk drawers to produce fistfuls of invoices to support his fanciful claims.

Open Cabrera also notes that every Homeowner that has bought a property from the Treasurer has paid their required infrastructure contribution to the Treasurer unless it states to the contrary in the Deeds. What he has done with these contributions is anyone's guess. We know that he has not bought a single transformer in Cabrera and that the Homeowners have paid for the third water deposit, the post office, and the transformer upgrade. We also know that the Treasurer is continuing to attempt to foist the costs of new transformers onto the Home owners without paying anything himself.

We know that almost every home has made its concrete (fixed) contribution to the infrastructure in the initial purchase price of their property. However, the Treasurer's overwhelming sense of entitlement means that he truly believes that he can come back to demand more funds from the homeowners to fund his construction work and business profits without any transparency, accountability or return on investment to the captive providers of the funds (the Homeowners).

Where in the rest of the world can you find a source of involuntary financial backers of your business that get no return on their investment at all? This incredible concept resides only in the creative mind of the Junta Treasurer.

We look forward to the Treasurer providing an explanation at the forthcoming EGM as to why the action of retrospectively charging Homeowners for infrastructure for a second time is not fraudulent. His claim that he paid for € 2.5m of infrastructure and that the homeowners made no contribution to it in the purchase price of their homes is simply not credible.

We remind the Treasurer of his own letter, written in 1998 when the Developers were squabbling amongst themselves and seemingly trying to avoid paying their dues – what a surprise!!

In Appendix A, the Treasurer explains in his own words exactly how the infrastructure is paid for in the purchase price of a property. He now seems to have forgotten how it all works and, for that, he wants us to pay him again as well!

The Treasurer indicated that the CRA (residents association) will have to appoint and pay for their own Accountant and Official Checker to be able to contest the findings of his Accountants. He was unable to confirm a date by which his Accountants and 'Official Checker' would be finished with their work.

The Treasurer indicated that the Town Hall would be putting a 'deadline' on the Junta to finish all the infrastructure in Cabrera and estimated that it would cost around €4.0 million to complete, adding that 'you will have to pay for me'.

He stated that he was a volunteer on the Junta but, owing to slanderous people, his name was 'mud' and that people had put a 'knife in his back'. He said that he had lost respect for the Owners in Cabrera.

Open Cabrera notes that it is more than apparent that the Treasurer has no respect for the Homeowners. He avoids providing satisfactory answers to Homeowners, he uses Homeowner funds for legal action against the Homeowners themselves, he endeavours to pass over infrastructure costs to the Homeowners, he attempts to turn everyone into captive funders of his business operations with no return on investment by telling them 'you are all Developers now'. He has passed over the costs and commitments of the Developers Bank Guarantee to the Homeowners for years. This year, he awards himself an annual increase from €12000 to €15600 for an annual 'Administrative Contribution' and awards the labourers a further 10% salary increase in the belief that he will not have to contribute substantially towards their salaries himself. He is trying to change the Statutes to be more in his favour and he is trying to avoid contributing his fair share of the services and maintenance costs in Cabrera.

When one homeowner, closely affiliated with Open Cabrera, approached one of the said over-paid labourers about the lack of refuse collection from her property, she was pointedly asked 'whether she had paid her fees'. As it happens, she was fully up to date with her fees, unlike the Treasurer.

Are people really being unfair to the Treasurer?

The Treasurer was then asked why he was still the Treasurer of Cabrera if he had lost respect for the Owners. It was clear that he was not going to do his best for the Owners. The Treasurer explained that he was taking over the role of the founder, Peter Grosscurth, and that he was loyal only to Cabrera. He then moderated his statement to say that he had lost respect for 'some of the Owners'.

In response to a query regarding a possible succession plan, the Treasurer stated that he had a succession plan but that it was his own business.

The Treasurer announced that he was going to start building again. He noted that he was owed money by all Owners and that they would be paying him for all the past infrastructure and for all the future infrastructure. His theory was that he was owed so much that he would not have to pay for future works or maintenance costs. He said that the fees were €1000 last year but now they are going to be doubled.

The Treasurer was challenged on this and advised to refrain from scaremongering – the fees should not go up because more Owners would be contributing. Asked about his own payments,

the Treasurer noted that he would not be paying any bills, and intended to deduct his share of chargeable costs from what he believed was owed to him.

Open Cabrera suggests that, before considering making any future financial contributions themselves, Homeowners should wait for the majority shareholders (Developers) to:

- a) Declare their personal contributions to the Junta budget (both infrastructure and services and maintenance) and publish the detailed calculations of the required contributions of all owners on a line by line basis so that the legal basis can be checked by the Homeowners.*
- b) Provide evidence of the Developer and Town Hall payments into the Junta bank account.*

It was pointed out to the Treasurer that there were trust issues in Cabrera. These trust issues were exacerbated by the fact that he refused to answer questions such as the Queries on the accounts. The Treasurer said that he had asked for copies of the Queries from the Town Hall but that the Town Hall was unable to provide copies. He then did agree to answer the queries if they were sent to his personal email address. It was pointed out the Queries had previously been sent to the Junta Secretary, John Bailey, both in English and subsequently in Spanish as requested.

The Treasurer was asked why the Voting percentages had been modified after the AGM in November 2021. He explained that the Town Hall had 'come to terms' with the fact that they also have to contribute towards costs (presumably for infrastructure and services and maintenance). Therefore, the Town Hall had identified that, of their roughly 290,000m² of land, they could shed a large amount of their responsibility for costs by removing around 200,000m² as follows:

- The land behind Los Pastores is claimed to be Greenbelt so not liable for fees
- The plot for schools is not classed as Town Hall Land
- The plot for the future Church is not classed as Town Hall land

This means that the Town Hall's liabilities have been reduced to those associated with only 72,000m² of land rather than 290,000m² – a substantial saving which has resulted in the redistribution of the fee overhead onto all the other Owners.

Open Cabrera notes that this is a dramatic shift from the way the Junta de Compensacion has been administered since inception. It has reduced the liabilities to the Town Hall and increased the dominance of the Developer land owners. This change needs to be investigated thoroughly and raises questions as to whether the Junta Board and the Town Hall are fit to administer Cabrera.

This development suggests that the Town Hall has been responsible for the payment of Fees since the inception of the Junta de Compensacion but has failed to make any payments at all under its own Governance.

On the face of it, it seems that the Town Hall owes the residents 29.7% of the Maintenance fees dating back to 1993 as this is what they declared their shareholding to be, and this was the basis on which Homeowners bought their properties in Cabrera.

The Treasurer was asked whether the calculations by the Accountants and the Official Checker would be given to the residents and he confirmed that this would be the case. He was advised that no information had been given to the residents to support what was on the Agenda at the AGM in November 2021. This had upset the Owners and resulted in the discontent demonstrated at the AGM. It would not be good if the same happened at a future EGM.

It was put to the Treasurer that he would not be able to invoice Owners correctly until the Accountants and Architects report was produced. The Treasurer responded with an emphatic 'No, No, No! He explained that he did need to follow the thinking of others as to what the

process should be. He said that the “Invoice has to be approved by the General Assembly” and that everyone should be made aware of this.

Open Cabrera notes that the strategy seems to be to present the future invoice arrangements at the AGM or EGM and then put it to the vote. The Developers will then use their recently increased majority vote share to approve the invoice arrangements at the expense of the minority shareholders (the Home Owners). You really cannot make this nonsense up!

It was put to the Treasurer that the Junta Accountants were not independent and that they were ‘marking their own homework’ – a fully independent, professional Auditor should be used. The Treasurer lauded his own appointments and stated that he would be appointing an ‘independent person’ to ‘represent the meeting’, presumably the EGM. He said that he could not trust the Town Hall and that it was the role of the Junta to decide on the people to carry out the financial assessments.

Open Cabrera notes that, when the fox is eating the chickens, it is inconceivable that the fox should be put in charge of preventing further chicken losses. This is unlikely to provide a workable outcome.

The Treasurer was also asked why the Homeowners were being asked to pay again for new transformer infrastructure. The Treasurer said that it was because the Homeowners had decided that they wished to enforce the Statutes so they were all ‘Developers’ now.

Open Cabrera wishes to point out that our Treasurer started the initiative to pass on the costs of the two new transformers to the Homeowners in 2017. This was when he was allegedly working under the 1993 Agreement where he said that the Developers were responsible for all the infrastructure costs. Under both ways of working, the Treasurer’s intention was always to transfer the costs which run into hundreds of thousands of euro solely to the Homeowners.

The song remains the same!

But it is time for the song and dance show to stop, Mr Treasurer.

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APPENDIX A – IN THE TREASURER’S OWN WORDS

3

A move that is completely illegal, and that is why the amendments was not approved by the UTAN (Department of technical assistance to the Ayuntamiento). On their report dated the 3rd February 1998 of the amendments, they said they could not quantify the amount of infrastructure completed to date and also it is impossible to say who paid for it. Remember that the infrastructure built has been paid for by all of us within the price of the purchase of land or property, which included the roads, water, and electricity. According to the Plan Parcial all infrastructure works completed to the date of the approval, cannot be calculated to the benefit of any one developer. We have to look for the financing of the outstanding infrastructure from that date forward. Distributed equally and based on the outstanding square meters of building in the Plan Parcial,

That means to say that each developer contributes equally towards the infrastructure outstanding, according to how many meters of construction he has available. That is what the law says it should be done. But when you have someone whom tries to manipulate the books to unfair advantage and to the decrement of others. It fraudulent and against the spirit of the Junta de Compensacion. We approved this amendment thereby consenting to this abuse because we where not given the full facts. We where told we where approving only minor amendments.

We entrust our legal representative; he is contracted by us, the Junta de Compensacion to ensure total legality and impartiality. The President and the Junta de Delegados has been badly advised. We the Junta de Compensacion have had our votes abused. We have a legal representative badly advising the Junta de Compensacion to adopt measures and amendments not for the benefits of all. And for that we pay him as well. His property consists of 19,351 m2 of construction