

JUNTA DE COMPENSACION STATUS REPORT

19 August 2022

Fellow Homeowners

STATUS UPDATE

Please see the updated Timeline below:

2000	Cabrera Urbanisation project set a 24 month implementation period
20-May-02	1 st phase of Urbanisation approved (€1,233,998 out of total budget €3,305,567 + 16% IVA)
25-Nov-05	Issues regarding developers not paying their contributions
26-Apr-07	Plan Parcial revised by Plenary session
18-Mar-08	Town Hall approval for Functional Units (19 Development Zones)
2016	Town Hall assesses that €1,387,809.57 of infrastructure is in place out of total Budget € 3,547,396.87. ie. The Urbanisation infrastructure is only 39% complete. Only 2 of the 19 Zones were deemed to be 100% complete. Nothing much has happened since 2016.
2017	Cabrera Residents Association (CRA) takes Town Hall to Court
13-Dec-19	1st Almeria Court Judgement awarded against the Town Hall
18-Feb-20	Junta Board appeals, using Homeowner money, against the Court Judgement on a matter of "process"
23-Nov-20	2nd Court Judgement against Town Hall confirmed. Junta de Compensacion avoids holding a 2020 AGM at all.
17-Dec-20	Junta President and Treasurer decide to appeal against the 2nd Court Judgement (using Homeowner money).
06-Jul-21	Residents gain immediate enactment of the Court Judgement by paying €3000 bond to the Court
24-Jul-21	Junta Board requests DONATIONS from homeowners to keep Cabrera running and to avoid raising legal fee invoices according to the Court Judgment
26-Nov-21	AGM held in Turre. Developers use their overwhelming majority vote to pass proposals to amend the Cabrera Statutes, to pass a budget which is not in accordance with the Cabrera Statutes, to charge for Services which is not in accordance with the Cabrera Statutes and to charge fees in a way that is not in accordance with the Cabrera Statutes.
01-Dec-21	Multiple appeals against the legality of the 2021 AGM submitted to the Town Hall.
18-Dec-21	Junta Board publishes minutes of the 2021 AGM. Homeowners shocked to discover that Junta Board has unilaterally amended Town Hall's voting rights from 29.7% to 10% enabling Developers to achieve over 60% vote between a handful of them. This change to the voting rights was not even discussed at the AGM. Developers believe that a 60% vote entitles them to change the Statutes. They are incorrect as "more than half the Junta Members who between them hold more than 60% of the votes" would be needed to change aspects the Statutes. Furthermore, this majority may not vote on a matter of Law. For some changes (such as repairing the wall above the bowling green) the Treasurer has stated that a 100% vote would be required.
18-Jan-22	CRA lawyer files an Appeal against the legality of the 2021 AGM with the Town Hall. The CRA lawyer also files a breach of the Court Order against the Town Hall in the Almeria Court as invoices have not been raised in accordance with the Statutes. The Town Hall has seemingly washed its hands of the matter, saying that it is the responsibility of the Junta de Compensacion to comply with the ruling.

11-Feb-22	Open Cabrera meets with the Junta Treasurer to hear how he has 'lost respect for the owners in Cabrera' and 'how much everyone owes him'. He also stated that he would be deducting his share of future chargeable costs from what he believes to be owed to him.
January - February 2022	The Town Hall remains silent on the Appeal against the legality of the 2021 AGM. Junta again rely on DONATIONS to keep Cabrera running instead of raising legitimate invoices. The February EGM is not called as mentioned at the November AGM. Suitable financial assessors do not seem to be appointed as yet.
24-May-22	The Junta reports that it sees "no point in reporting week after week that information is being gathered, assessed, discussed, reviewed, and awaiting legal confirmation from local and regional administrations". This is consistent with their approach of hiding information and keeping people in the dark.
10-May-22	Responses to appeals against the legitimacy of the 2021 AGM start being received. In general, the Town Hall claims that it does not have the same powers as the Junta Board to enforce the court ruling. The Town Hall also says that if you do not like their response, you should appeal to the Almeria Court. CRA Lawyer receives response from TH dated 3 May 2022. CRA Lawyer takes Town Hall's advice and consults the Almeria Court.
18-Jun-22	Junta now claims that the Town Hall approves the following: "A Service of maintenance company structure must be formed with sole responsibility of the maintenance of all services". For this purpose, it is necessary a minimum of three volunteers to initiate it." This separate company is not necessary at all and looks suspiciously like a new vehicle for implementing the 1993 Agreement again.
09-Jul-22	Junta sends out 'pseudo invoices' and requests DONATIONS to keep Cabrera running instead of raising legitimate invoices. Junta claims it is unable to send out valid invoices for some reason, probably because a) the Junta is not allowed to sell services for money, and b) The Developers are not inclined to raise invoices to themselves or pay anything at all into the Junta bank account A number of Homeowners volunteer to hold discussions with the Junta about the feasibility of a new Services and Maintenance company. There would be multiple obstacles to overcome including mechanisms to ensure that all Landowners (yes, including Developers) pay their required contributions under the Statutes and the fact that the infrastructure between Poligono 1 and Poligono 2 is not fully separated.
02-Aug-22	Almeria Court responds to CRA lawyer: The Court issues a decree to the Town Hall to hand over all its Administrative Files to the Court by 19 September 2022. It looks like the Almeria Court is responding to the appeal against <u>the legality of the 2021 AGM</u> which is very encouraging. Separate to this, we also await the final judgement on the Appeal made by the Junta Board against the <u>over-turning of the 1993 Agreement.</u>

WHERE DO WE GO FROM HERE?

We expect the Almeria Court to take a very dim view of the response that the Town Hall and the Junta Board have given to the Court Order which was fully enforced on 17 July 2021.

In parallel with this, the legality of the 2021 AGM proceedings and the appalling events surrounding it, is being challenged in Court as well.

Therefore, it would seem that the Court has been left with only 3 options:

1. Give the Town Hall and the Junta Board more time to obey the Court Order. This will fail as the Junta Board is completely dysfunctional and it is evident that they cannot be entrusted with this responsibility. Added to this, the Town Hall is ineffective and effectively washing its hands of any responsibility. It is inconceivable that the perpetrators of the malpractice should be tasked with correcting matters and this has been demonstrated very clearly over the past few years.
2. Place the Junta de Compensacion under full administration by the Court. Hopefully, charge any Administration Costs to the Town Hall as they have failed in their responsibility to oversee the Junta Board effectively. While this approach would result in the Junta de Compensacion being run honestly in line with the Statutes and a better understanding of the Debtor \ Creditor position, there is still little prospect of the Urbanisation being completed in a reasonable timeframe.
3. Dissolve the Junta de Compensacion altogether, recognising that the Junta de Compensacion has no prospect of recovering from the malpractice that has taken place over the past 30 years and that there is no prospect at all of the urbanisation being completed in a reasonable timeframe. If there is no credible, fully funded plan for the completion of the Urbanisation, it would mean that there is no reason for the Junta de Compensacion to exist.

This last option could hold all sorts of advantages for the Homeowners.

All the best

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