

First, with this open letter I would like to summarize what I believe and conscious off my position with the other members, treasurer and secretary of the entity we stand on what happened both from the board and myself in particular.

Assuming that when the present board took over the leadership of the organization in 2011, we found a completely disastrous economic situation on 11/08/2011. A summary of the situation on our entry was as follows:

- Negative balance in the bank accounts of around -6000€
- Lawsuits against urban entity by different suppliers for repeated unpaid bills .
- Endesa electricity about to cut the supply due to the accumulated debt of 12,000€(extract minutes 19/12/11) by street lighting, with consequent damage of the water supply of the entity as we rely on the power for the pumps for water extraction.
- Need to pay around € 18,000 for condemnation of Labour Court No. 4 for unfair dismissal from one of the two gardeners.
- Accumulated debt of more than three months' salary of the second gardener.
- havoc collection and payment of any kind.
- No street lighting due to lack of funds to pay Endesa.
- No compulsory insurance which the entity should have, such as civil insurance and third party liability.

The situation in which the entity was, not only was taking it to a social and economic chaos with negative bank a/c balance & all the previous mentioned points amounted to some **50,000€** of debt, but also cost the life of one of its neighbours.

Teamwork by the full board at first was to try to regularize the situation where urbanization was and avoid absolute disaster. Which was achieved thanks to the result of negotiations and the involvement of the entire board.

I recall that urbanization had an actual income of 3,500 € / month from payment of community fees, that was all. This was due in the main to the high delinquency/debts on the part of many of the neighbours including the town council and the developer.

Stabilising the situation was achieved by reducing somewhat the initial delinquency rate of 60% to 45% approximately and negotiating with different suppliers.

Having achieved these objectives proceeded to improve some areas of the entity with previously agreed actions in general meeting. One of the conditions that this board is that we can only impose repairs or improvements to raise revenue commensurate with real income, ie. not waste away most of what we have to avoid repeating the previous situation of economic ruin for the entity. The list of milestones achieved to the present day is as follows:

1. Payment to all providers of the urbanization and pending claims.
2. Payment of back wages to current gardener.
3. Implementation of lighting all the urbanization.
4. Setting up of management and collection of water accounts.
- 5 Wiring phase 3 for public lighting.
6. Wiring phase 1 for lighting public part of Yunquera and Alcalá del Valle Streets.
7. Sealing of all the street lighting electrical manholes with concrete to prevent future thefts.
8. Comprehensive conditioning of right hand side of the main entrance avenue pavements.
- 9 Preparation of Post Room and installation of mailboxes.
- 10 Major repairs to improve entrance of urbanization.
11. Comprehensive restructuring of playground-park area.
12. Construction of soccer Court.
13. Replacement of wiring phase 3 and part of calle Alcalá del Valle (due to theft).
14. Design and installation of new street lamps in entrance of the urbanisation.
15. Risk prevention work on the subsiding Yunquera street.
16. Central Planter on main street entrance.
17. Concreting of access roads to the two water tanks, required by Environmental Health.
18. Alteration/reformation of old water deposit to a storeroom next to water deposit phase 1
19. Negotiation and agreement with the town council to pay outstanding debt in exchange for plot /s.
20. Negotiation and agreement with County Council for the construction of a new sewage decanter larger than the existing one.
21. Negotiation and agreement of obtaining initial grant for LED lighting installation at no cost to the urbanization.
22. Contracting of two insurance policies, one of liability for urbanization and other civil liability, theft and damage to water facilities.
23. Hiring a company (Rielectri) for the maintenance of networks and drinking water infrastructure.
24. Plantation of palm trees in the park, donated by a neighbour .
25. Hiring of a large skip for neighbours to deposit pruning's & garden waste .

26. Replacement of faulty street lighting wiring on calle Ronda .
27. Repair/replacement of two sewage treatment plant pumps that did not work.
28. Concreting of the mains outlet pipes of the water deposits, (required by Environmental Health).
29. Sealing cracked water deposit with special mortar phase 1, (as required by Environmental Health).
30. Rectification of major breakdowns in electricity and water facilities.
31. Establish normal drinking water in plots 66,74, 99 and 130 with the cost of materials and pavement restructuring.
32. Construction of platform for the reunification of trash and recycling plastic, cardboard and glass.

To these tasks must be added necessary work from day to day which the entity requires .

Currently the approximate actual income revenue of €5,200 monthly in community fees and other approximately €5,700 on average quarterly income of water consumption. These amounts are used to pay fixed expenses of the entity and the different improvements that are described in the list of milestones. Fixed expenses are as follows:

Salary of a gardener.

Endesa electricity for street lighting and water extraction pumps.

Chlorine and derivatives of water

Salary of the administrator/or.

Payment of compulsory insurance.

Payment of company for the maintenance of the infrastructure of water, Rielectri.

Payment of company control water Aquaforma.

Payment of temporary personnel for actions to be carried out.

Well, of course, the natural question is how we were able to perform all other investments of the list of milestones with limited income and expenses that needed attention. The answer is careful management of expenses, Free contributions of board members, some neighbours and a lot of hard work.

#### Administrator Doris Criado Marquez

The main criticism I have detected by neighbours is the lack of transparency in the financial reporting of the entity. In this review I join and assume the responsibilities that relates to me. Yet I recall that in this or any other development / urban entity, this task is the responsibility of Administrator, not the presidency.

In our case responsible for this task was Lawyer Doris Criado Marquez. This administrator did not perform their duties as expected by anyone who is in that role and it has been repeatedly expressed myself and other members of the board on many occasions both verbally and in writing. Moreover, by not receiving the relevant reports and responsibility of the administrator to provide, annual budgets, some of the current members of the board proceeded to perform them to advance in management of the entity.

When I concluded that I was not receiving the necessary information for me, not only as president but also as a neighbour and added to no effort on her part to dedicate to the task of recovering debt, amounting to more than € 300,000 from debtors of neighbours and town council, it was decided to terminate her services by the board unanimously. Moreover, the previous administrator did not inform us of even earlier legal steps necessary to have the legally monitorial process and can not be challenged by the debtor. For Doris to offer to resign was the most acceptable for all parties this offer accepted at first and then later she rescinded changing her my mind throwing all the blame for its inefficiency to the board including slander directed at this president and the board in general.

Administrator Doris Criado Marquez informed us in writing that she believes that she can not be fired because her payment was included in the last annual budgets for the year. She even reserves us that legal action against the entity in this regard. Matter in which the Board is totally opposed and will only pay until she ceases. We recall that the administrator was not an employee but billed as self employed.

In addition, we believe justified in change of lawyer by the loss by Doris Criado's lawsuit whose legal address took, in addition, not to give any information about the alleged payment order proceedings, which said to have presented with fanfare, and which, this Board, or the Assembly, have knowledge.(for this reason there is filed a complaint to the Law Society), so this Lawyer's report of what "supposedly" she has done, since despite requesting this information, required, no.) procedure and court before which was supposedly transacted, still has not been received.

My surprise was great when many residents requiring financial transparency, applaud the person responsible to deliver such information having not delivered it .

### Main problems detected by the Board with some neighbours:

We have found much controversy from some neighbours and discomfort with the current management. Without going to name such persons or issues in particular I only want to mention in this regard. It has been proposed to the Board of directors by some neighbours having a special deal with them for being who they are. Those requests were not accepted because we are of the firm conviction that if rules decided for residents by voting on the corresponding assemblies, these rules are valid for all neighbours no exceptions, because otherwise management is impossible apart from being completely unfair. In my opinion and as a personal note, this is one of the main problems currently facing Spain.

That said, I want to highlight that, as any neighbour, you have the right to express criticism or suggestion to the management. All that is asked is that you move it or in writing or in person at any of the numerous meetings that the Board of Directors has. This is collected in the statutes of the entity.

If for any reason, said neighbour is dissatisfied with the response from the Board of Directors may expose his case before the next general Assembly which will proceed to a vote by all residents and the result of that vote is that will be valid on any other organization. Only condition for this is that you notify us so that it can be placed in the following order of the day of the next General Assembly . What is not acceptable is that if someone is not satisfied with a response in particular of the Board of directors they then try to create disruption in the following assemblies.

### Other issues raised by neighbours:

- Invoices without VAT
- Lack of economic transparency
- Local Hiring
- Approval of previous meetings in the following
- Notification to neighbours for meetings
- Palm trees that were donated free of charge by a neighbour cost us money to transport & plant.
- The possible plot that Town Council is going to give us in compensation of their debt.
- Our current web page is contracted with a non-local company.

### **Invoices without VAT**

This board has been accused that some bills are not inc. VAT and this is illegal. This is not so & even more, some members of the board have made inquiries about it and we have seen that in the past the entity has paid VAT on many of the expenses without having to as an entity Urban Conservation Collaborator is an administrative arm of the council and therefore is not subject to VAT on all maintenance issues, such as the purchase of electrical copper cables to replace same due to theft for example .

Such information was not communicated to the board by the former administrator accordingly we have paid thousands of Euros in VAT that we could have saved. Attached document of a decision of the superior court of Justice in this regard.

### **Lack of economic transparency**

I think this point has been analysed in detail in the previous section "Administrator Doris Criado"

### **Local Hiring**

The present Board of Directors has been accused of hiring personnel to locally.

In some cases, as for example when there was theft of wiring for the third time from some sections of the public lighting the entity has had to carry out emergency work by the situation at the time and it was decided to temporarily hire staff that can do these tasks and more importantly, that they are within our economic ability & to not go into debt in a tight economic situation.

I want to stress that in the case of long-term contracts, as it is the case of a new gardener in brief since Juan will retire, we will proceed to a procurement when the time comes. It is still under the authority of the Board of Directors, according to the statutes, to the recruitment of staff as it is the case of administrators, to be people who are on top of the Management Board.

Documents relative to the above available at our website [sierragorda.es](http://sierragorda.es) or if you do not have a password at the public site of [sierragorda.webnode.es](http://sierragorda.webnode.es) & will be available in paper form at the following meetings.

### **Approval of minutes of the previous meeting.**

There has been criticism for not approving the minutes at meetings of the agreements of the previous meetings.

Well, that criticism is not consistent in our understanding that is perfectly reflected in the statutes that only assemblies following is the reading of the previous minutes and if necessary the correction of errors, but never voting decisions. What's more, it is not logical, because if so we could never do anything because otherwise, if the assembly decides to erect a lamppost by a majority vote of the assembly of neighbours it can not be done until after more than a year and which must be approved again in next year's Assembly.

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### **Notification to neighbours for Meetings**

This detected criticism has some validity in my opinion. But I recall that as notification about general meetings / extraordinary was taken unanimously by the neighbours and the board president before mine, specifically the General Assembly dated 29.07.2011 . This decision was taken as I have understood for reasons of financial savings of the same and this board is mainly governed by the voted and agreed by vote at general meetings.

Still, it is understandable that some neighbours want to change the agreement by not having Internet or do not visit the urbanization and thus unable to see the signs on entry. It is entirely legitimate for us to change and / or improve communication in the next meeting, but always by a vote of the residents.

### **Palm trees that were donated free of charge by a neighbour will cost us money**

The said complaint is based because they say that we must keep & maintain the palms. The Palms will be maintained within the normal maintenance of the urbanization.

### **The possible plot that Town Council is going to give us in compensation of their debt.**

It has been commented to us that this is not a good idea because surely then we the board will sell it amongst ourselves. This complaint seems incredible to me. First of all we don't have the plot yet. Once the Town Hall hand it over for debt that exists, there will be an extraordinary meeting of neighbours to decide what is what to do with the plot and that agreement by voting is what will be done. By the way, it has cost the Board two years of work to reach this agreement with the Town Council of Coin.

### **Our current web page is contracted with a non-local company.**

The current web page of urbanization was hired more than 4 years ago, i.e. long before the present Board and nothing has changed. With which this complaint is completely unjustified. However, I'd like to change that page in the future because I understand that it is complicated in its use.

### **Trees on the main avenue entry into the urbanization**

We are required by a neighbour that we comply with what was agreed to cut the remaining trees of the street from the entrance of the development because it allegedly agreed and was voted at a general meeting before this presidency. Our position on this is that we signed an agreement with the previous government party (PSOE) before the current Coin (PP) came into office in which it was agreed that the Town council would build a post house, remove/prune trees and start rebuilding the pavements on both sides of Street and bury trash containers. All at no cost in exchange for the urbanization of the accumulated debt of the Town council to the entity of Sierra Gorda. Just completed the construction of the post house and ripped trees from a portion of the entrance road, leaving the pavement destroyed, with the relevant danger to neighbours. When the government change the current party to Coin (PP) they were asked when they would terminate the agreement and we were told that they could not fulfil it due to lack of funds. The agreement that we reached in emergency, to remove the danger of destroyed pavement, is that the entity would pay for the materials for the pavement and the council would provide the labour. This was done, but considering that, Sierra Gorda had to pay around € 10,000 in building materials. Yet we were still scolded we should continue with the cutting of the trees remaining, which would mean another 15,000 € of spending by urbanization. The current board does not see the need for such spending, in addition to being approved by the general assembly. The neighbour in question was offered to submit his case in a general meeting and present its arguments to it for a vote by all the neighbours.

## **Parking on the street next to the paddle courts**

This criticism is in addition to the entire board as we have repeatedly communicated to those responsible for this association. We intend to ask to put no parking signs in that location in the future by the public body responsible for placing these signs. We recall that our streets are public and do not belong to the entity. I would also like to recall that the paddle courts are not owned by the entity of Sierra Gorda and its concession was given by the Town Council of Coin.

**I emphasize that in the future, any resident who has a doubt, criticism or suggestions please move us to analyse and avoid situations like those experienced in the past assemblies.**

### Description of Board Members

In this section are listed all the committee members and positions of the people that make up the current board.

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### Actual situation

Actually the urbanization is in an acceptable economic situation without debts There is no surplus, mainly for the reason that there has not been a recovery of arrears management by the effective administrator. Yet the entity is paying all that is being done.

The important thing is that it has reached a satisfactory agreement with the town council to deliver a plot to the entity in exchange for their debt. What is to be done with the plot, once received, will be decided at a general meeting by way of vote by all the neighbours.

We also hope that with the new administrator, the company belonging to G and V Asesores, LICENSED ADMINISTRADOR OF FINCAS (Don Jose Luis Martin), which will have an initial trial period of six months to avoid repeating past mistakes, is achieved collecting much of the delinquency. For the same reason will be given the monitors trial management to independent lawyer to avoid mixing with administration monitors trials in previous directives board decided to give the job to one and the same person (Doris Criado). That decision we believe was counter productive.

Moreover the entity is trying to reach an agreement with the developer in regard to hidden defects or unrealised works and responsibility of the promoter. We hope to reach a satisfactory agreement for both parties or failing this by the relevant courts.

We are finalizing an agreement ending in a major grant for the installation and replacement of street lighting by LED lamps. If so, and it looks like this, it means that the entity will not have over the next three years any additional expense to which we are today in terms of power consumption and from the third year would mean a savings of approximately 50% of electricity consumption that is currently paying for this item.

Urban Entity also will not have the cost of replacing the lamps, because the facility will have a 5 year warranty including blown lamps.

Having said all that, I have the firm conviction that the E.U.C.C. Sierra Gorda has a promising future and might be, if isn't it already, a benchmark for the quality of the Guadalhorce Valley. But for that objective to be fulfilled it is imperative to have the unity of the vast majority of residents for such a result .

### Final Note

I hope that with this document most of the points of criticism / doubts are cleared that we have detected.

However, I personally want to emphasize that I am obliged to publicly express my disappointment by the behaviour of some of the neighbours by the manner, form and vilification expressed to the current Board of Directors. I hope that in the future we can work in management with the cooperation of neighbours in a constructive way and the common goal of improving the entity.

Even so, I want to clarify that my intention was to introduce myself once more as President at the following election for this position, to be able to end deliberations and negotiations with various entities such as the Town Hall, Regional Council, etc. I want to make it clear here that if we fail to return to the assemblies to having a civic and democratic character, the present President will no longer offer availability in the next election for this position. The main reason of here described is mainly, but not solely, conviction not to be able to advance in the management of the entity, if it is not in a civic & democratic environment and to waste time in unpaid work, which requires tremendous effort, I'd rather spend it with my family. I will give more information in this respect in the next Assembly.

Having said that, I want to encourage and invite to any neighbour who thinks that they are willing to do a better job presenting his project to residents in the general Assembly of July for the election as President.

Finally, I would like to personally and publicly to express my gratitude to the members of the current Board of Directors and many neighbours, who have helped the achievement of all of the above in the management of the entity to the extent of its possibilities.

Other documents available: At our website [sierragorda.es](http://sierragorda.es) or if you do not have a password at the public site of [sierragorda.webnode.es](http://sierragorda.webnode.es) & will be available in paper form at following meetings.

Signed,

A handwritten signature in blue ink, consisting of a series of fluid, connected strokes. The signature is written on a light blue background.

Ralf Pirzl  
President E.U.C.C. Sierra Gorda