

## 4th Qt 2022 Newsletter

Greetings Fellow Owners,

The 4th Qt 2022 saw great progress, with big improvements & repairs made possible by the increase in community funds, & better utilisation of our people resources. Simply put we have a stronger team of people who are more productive & highly focused on the key issues in the community. Money is being very carefully allocated to the projects agreed at the AGM but it must also be recognised, that new problems which arise on a daily basis also require funding. Instead of a detailed commentary on the various improvements & repairs that have been taking place, there's a photo gallery at the end of this newsletter which speaks for itself.

### 1) 2023 AGM

The 2023 AGM is expected to be held on the morning of Thursday 30th March 2023. Adenjo will shortly circulate a formal notification.

In addition to the annually elected positions of President, Vice-President & Administrator, if there are any volunteers who want to help with specific areas of community management, then please contact Adenjo to register your interest, & this can be discussed at the AGM.

If any owner would like to put forward a motion to be discussed at the AGM agenda, please send to Adenjo before the 20<sup>th</sup> of February. The motion should contain a brief description, rationale & if appropriate a cost estimate. This will help the management team's understanding of the motion. Given that the community's finances are still under pressure, it is unlikely the management team would support funding from the 2023 standard budget for what might be considered non-essential projects. In the event the community at large doesn't support budget funding, then non-mandatory, volunteer financing would be required.

### 2) COMMUNITY FINANCES

#### a) Debtors.

There has been an increase in the number of short-term debtors, which in part can be attributed to the increase in community fees & the cash-call. Positively, whilst some owners missed the initial drawdown dates, many have since made late payments to bring us closer to the expected income. Those owners that have failed to meet their payment obligations within reasonable time are now subject to the AGM approved & legally binding 20% penalty. Unfortunately, we have had to commence new legal proceedings against a number of owners. We also intend enacting the new laws that allow the management team to deny particular services to owners, their tenants or guests, due to non-payment of community fees.

The long-term debtors, who are less than 10 in number, account for around 75% of the total debt of approximately €430k. Adenjo have been working with the old lawyers, appointed under the previous President, to understand why these cases are still in the courts, & in some instances they are bringing in new legal expertise. A wider update can be expected at the AGM.

#### b) Creditors.

Over the past several months the community has been hit with unexpected calls for payment as follows:

- I.) For at least 4 years the company that re-painted the community between 2014-2018 has claimed €138k in unpaid fees. The fact of the matter is that following the 2020 change of President & Administrator, only a small fraction of the accounting records & service contracts for the community were transferred over. Amongst the missing documents was the contract, invoices, & correspondence with the painting company. Despite repeated requests since 2020 for these key

documents that would facilitate payment, the painting company failed to provide. Just recently they have made a new demand for payment, which has prompted Adenjo to seek legal advice as the community's obligation to meet this demand.

- II) Lawyers engaged by the previous President to work on the old debtors, have subjected claims for almost €30k in unpaid fees. A negotiated settlement has been agreed resulting in unexpected costs of €20k.
- III) A legal case against the community that was previously unknown to the current Management team has resulted in an unexpected cost to the community of €49k plus interest which has yet to be determined. The case dates back to 2009, when the community terminated the contract of the then security company, & shortly thereafter there was an incident resulting in large scale destruction of community property. The finger of blame was pointed at the outgoing security company who in turn decided to sue the community. Obviously, the previous President & Administration knew about this lawsuit but failed to communicate this to the incoming Administration. Having sought legal advice, we now feel we have no option than to accept the court ruling & therefore there will be an unexpected cost to the 2022 accounts estimated between €50-60k.
- IV) Following the decision to terminate the vigilante contract with Cofer, we agreed to settle the debt inherited from pre-2020, amounting to approx €70k. This will be charged to the 2022 accounts. Going forward this will significantly reduce our creditor balances, & also removes approx €65k +IVA of annual cost that can be deployed elsewhere in the community. Of course, security of the community will be a topic for discussion at the AGM.

### 3) HELP Services / External Contractors

Changing the contract with HELP from a passive Concierge service to an 'extra pair of hands' for maintenance services is reaping immediate benefits. Victor, our on-site Engineer is task-allocating work to both Luis & Jose (HELP employee) & he determines the priorities & costs which feed into the overall repairs & maintenance budget. Within this budget are also the costs for 'Capital works' which are the large-scale projects, e.g. the swimming pools, & are mostly undertaken by outside contractors. In addition to the retained contractors (gardening, cleaning services etc), Victor & Andreas are responsible for specifying & negotiating contracts with all other external contractors. The Monday.com management system we're using contains detailed records on all work undertaken & all expenditure both for completed contracts as well as work in progress.

### 4) CHANGE OF INSURANCE COMPANY

There has been an exceptional number of insurance claims throughout 2022. This is in part due to some claims by owners but mainly from having a team that is proactively identifying problems & able to present a case for an insurance claim. A measure of success is that the insurance company declined to renew our business for 2023 due to pay-outs to the community considerably exceeding the policy cost. The good news is that a lower cost has been negotiated with the new insurance company.

### 5) STORAGE ROOMS

There have been significant problems during 2022 with the storage rooms, & especially during Q4. The main problems are ventilation & humidity, & also unpleasant smells. These are exacerbated when there are problems with the drainage & sewer pipes that pass underground or directly down from the apartments. Several of you will know that fixing these problems, & engaging with the insurance companies is no easy task. A combination of poor design & construction, & a lack of maintenance proves very challenging. Victor has initiated a test project to increase ventilation & control humidity. If successful, the project will be rolled out across the affected areas of the community.

## 6) TERRACE REPAIRS

Work has been completed on the first group of terraces with humidity & corrosion problems approved by the AGM. In combination with turning off the irrigation system to the terrace planters, its hoped that the deterioration has substantially slowed or stopped. With the repair of each terrace, we're then in a position to consider painting the facades of the repaired terrace & those below. These are substantive & expensive works & due to cost constraints can only be done over an extended period of time. Options will be presented at the AGM.

## 7) SWIMMING POOLS

In line with health & safety compliance, the 3 swimming pools now have perimeter fencing & lockable gates (which are opened in the morning & locked in the evening).

Following completion of the Giralda pool, which required extensive sub-structure repairs, which I think you will agree looks great, work is in progress on the centre pool. In Señorío it seems every stone you turn over there's a problem underneath it.

This also proved to be the case with the centre pool, where even the water pipe to the shower was blocked with roots growing inside it. It has been necessary to excavate the entire underground pipe work around the pool all the way up to the pump room.

Safety compliance required the corners of the pool to be re-shaped requiring extensive tiling works. When the centre pool is finished, the water (salt-water now) from Mezquita will be pumped into the centre pool saving approx €4k in water costs. The work on Mezquita is expected to finish during springtime, & we've no doubts that the pools will substantially improve the image & value of the community. It would be short-sighted of us to leave the sunbeds in their present poor condition, & so the plan is to refurbish / replace.

## 8) DOG POO

Sad to say this problem continues, especially around Giralda. A low cost ultra-sound system with light sensors is shortly to be tested. If the problem persists we shall consider reviewing the CCTV of the affected areas which would necessarily involve the police. We again appeal to dog owners to act responsibly.

## 9) VANDALISM

An occupant in Giralda badly vandalised a fuse box, service access point & stairway walls. The culprit has not yet been identified but owners are asked to be diligent & inform Adenjo of any disturbances in the common areas of the community.

In an unrelated incident, an occupant in Doñana chose to set off the fire alarm system in the garage in the early hours of Christmas morning. The police & fire brigade had to attend & cut through the cabling to an exterior alarm. The culprit appears to have set off the alarm in order to open the garage door & drive a badly damaged car into the garage. The police are aware of the circumstances.

## 10) NAÔ Pool Club

Advance warning that the grand opening party will take place on the evening of the 6th April & large crowds can be expected. The final 50m of bollards will have been installed on Calle las Adelfas to restrict parking outside the community. We continue with efforts to find a solution to this problem, which real estate experts believe will over time negatively impact property values in the area.

In summary, 2022 started with major changes in how the community is managed. We've since gone on to make major progress with a huge number of improvements right across the community.

This was made possible by the majority of owners approving an increase in community fees & a substantial cash call. By providing the necessary funding we have been able, for the first time in many years, to undertake capital intensive infrastructure projects, & simultaneously carry out regular maintenance & repairs. The combination of financing & better deployment of our human resources has enabled this.

As owners, I suggest we should be feeling highly positive about the continuous improvements within the community, & very grateful for our hardworking team of Adenjo, Victor, Andreas, Luis & other sub-contracted workers.

Best regards

John Riley  
President. Señorío de Aloha.

## Photo Gallery – Repairs & Maintenance



Triana / Giralda Pool After Total Refurbishment.



New Safety Fencing Has been Installed Around all Swimming Pools.



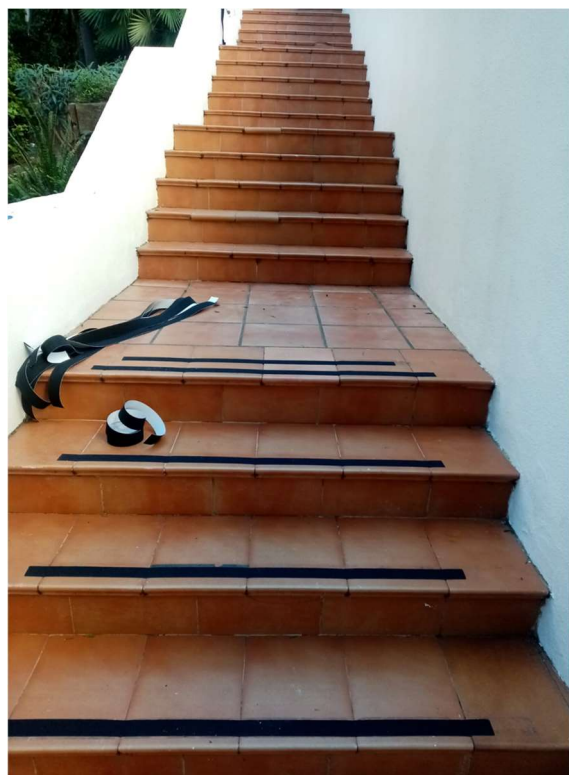
Ongoing Renovations To Donana Alhambra Pool. After Completion Works Will Begin On The Mezquita Pools – All Pools Completed By Summer



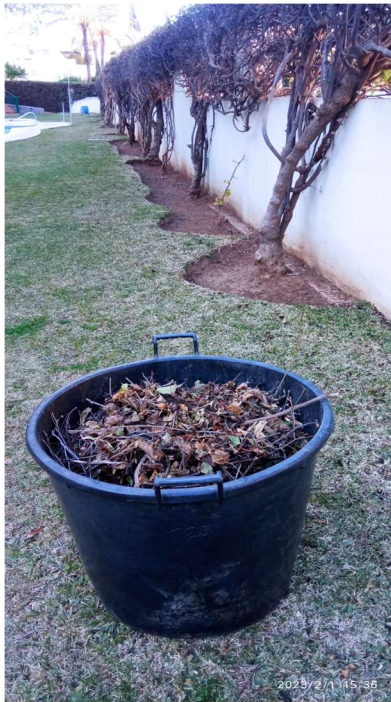
Repairs & Painting to entrance ways, doors & gates, to all buildings



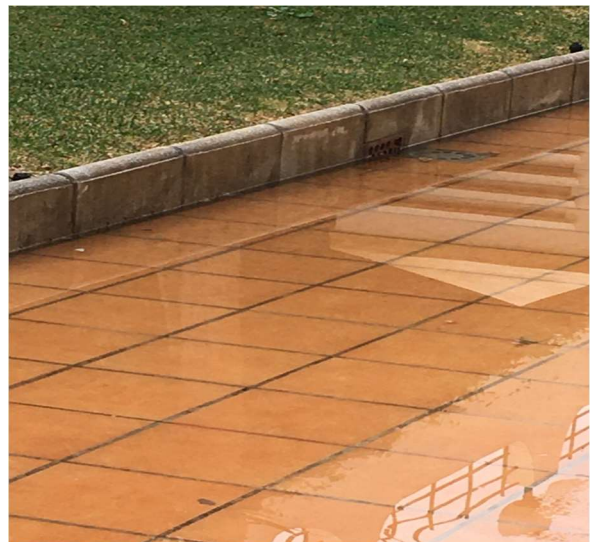
Loose tiles around the Community are being replaced, but it's very difficult to find an exact match for 22 Year Old Tiles.



Anti-Slip Tape replaced on stairways



Winter Season Pruning



Illogical drainage construction prevents heavy rainwater drainage causing groundwater flooding & Mezquita & Giralda Garage flooding and need extensive repairs.



Main Entrance Painting