



PRESIDENT'S NEWSLETTER

Issue no 1 July 2018



**Development Owners'
Association**

Welcome to the first of what I hope will be a regular update of what is happening at Los Claveles. Thank you for electing me as your President for the Timeshare Community 1 and the Development Owners Association

As you probably know, the resort is made up of three entities, Escritura owners, who own the freehold of their weeks, the Club, where the legal title to these weeks is held by the Trustees, and the Development Association, which has responsibility for the fabric of the resort, the common areas including pool, gardens, bars, restaurants, reception, maintenance and employment of all the staff.

The aim of this newsletter will be to keep you informed of DOA matters relating to the resort including news and useful information for owners.

The Club

Except where it affects the DOA, I do not intend, as far as possible, to report on issues related to the unfortunate ongoing dispute between the club and WimPen. However we all need to work together for the benefit of Los Claveles and I repeat the offer I made at the AGM that I would be open to an approach from the club chairman to start to develop a more cooperative relationship.

My Role

WimPen now have a 6 year contract as DOA/Escritura administrator and I have a 3 year term as President. I will seek to hold WimPen accountable for the efficient management of our resort as I do with another resort in Lanzarote, where I am also President. I will listen to owners' concerns where it is related to the general fabric and running of the resort. I would like to hear of your experiences at Los Claveles which I will pass on to WimPen. Once again, thank you for electing me and I look forward to meeting some of you when I am at the resort.

Roger Barrow



Paying your maintenance

We appreciate that the current dispute between the club and WimPen gives club owners a dilemma, so how should you pay?



WimPen is the contracted administrators and management company for the Development Owners Association, and also manage the combined community account. It is from this account that the running costs of the resort are met and wages paid to the staff.

Until the dispute is resolved, to ensure sufficient funds to meet the resorts expenses, and to allow access to your villa, it is important that club members maintenance fees are paid to the community account managed by WimPen, not to the club.

There is no dispute between escritura owners and WimPen, so payment arrangements remain unchanged. You should pay at least 6 weeks prior to your occupation date to avoid a late payment penalty. You can pay online at www.wimpen.com. Payment on arrival will be accepted only with cash.

Full details of the accounts can be seen in the 2018 AGM booklet, which is available for download on our website.

Financial Report

Los Claveles has seen a significant improvement in its financial health, even while this dispute continues, and in spite of the huge legal costs authorised by the club President of nearly €100,000 in 2017 and €116,000 in 2016, this payment has not been paid yet, but has been set aside awaiting approval by a full general meeting.

As agreed at an earlier AGM, the accounts are audited every 3 years and in 2017 a full audit was carried out.

Overall expenses have increased slightly. The rental of the units did not cover the maintenance fee invoiced in full, mainly due to the difficulty in renting the Studios available, provision of €10,837 had to be provided, covering bad debts in full.

There has been no increase in the management fee since 2013 and total income has increased by 9.63%, but more significant is the increase in our surplus, from €61k in 2013 to €106k in 2017. The reserve fund and accumulated surplus now stands at €925k, more than enough for substantial refurbishment.

	2017 actual	2017 budget	%change
INCOME			
Timeshare Fees	1,458,388 €	1,440,421 €	1.2%
Club weeks rental income	12,080 €	24,000 €	-49.7%
Electricity income	45,132 €	42,000 €	7.5%
Commissions	26,362 €	23,000 €	14.6%
Other Income	12,407 €	20,000 €	-38.0%
Bar Rental	22,680 €	22,473 €	0.9%
Profit from Mini-market	25,040 €	18,183 €	37.7%
TOTAL INCOME	1,602,089 €	1,590,077 €	0.8%
EXPENSES			
A.G.M. Cost	0 €	14,000 €	-100.0%
Auditors remuneration	8,000 €	8,000 €	0.0%
Cleaning materials	15,972 €	17,000 €	-6.0%
Electricity	59,948 €	66,000 €	-9.2%
Insurance	8,386 €	8,400 €	-0.2%
Laundry	35,491 €	36,000 €	-1.4%
Refuse Collection	15,190 €	13,500 €	12.5%
Repairs/Maintenance	138,175 €	181,700 €	-24.0%
Pest Control	1,100 €	1,150 €	-4.3%
Pool Chemicals	5,162 €	6,000 €	-14.0%
Stationery/Printing	15,696 €	4,500 €	248.8%
Telephone/Postage	18,744 €	18,000 €	4.1%
Transportation	307 €	400 €	-23.3%
Wages	637,136 €	637,831 €	-0.1%
Water	41,460 €	35,000 €	18.5%
Management fees	183,070 €	183,070 €	0.0%
Sundries	37,231 €	32,000 €	16.3%
Local Rates	17,122 €	18,000 €	-4.9%
Villa Renewals	68,840 €	154,300 €	-55.4%
Security Service	31,598 €	33,000 €	-4.2%
Trustee Fees	21,278 €	22,000 €	-3.3%
Pool attendance	27,378 €	28,000 €	-2.2%
Bad debts provision	10,837 €	0 €	
Legal cost	97,837 €	72,226 €	35.5%
Contingency Fund	0 €	0 €	
TOTAL EXPENDITURE	1,495,957 €	1,590,077 €	-5.9%
SURPLUS/(DEFICIT)	106,132 €	0 €	

WimPen

Wimpen are currently the appointed administrator for the Development Owners' Association and the Timeshare Community (Escritura). They were given a new 6-year contract at the recent DOA/Escritura AGM

Although WimPen are now a subsidiary company of OnaGrup, there has been little change in the team that manage the Canary Island resorts, with many familiar names still in place.

Meet Ana Martín, Head of WimPen for the Canary Islands



My name is Ana Martin and I am the Area Coordinator of WimPen by Onagrup, I have more than 30 years of experience in the community of owners at El Marques in Tenerife, managed by WimPen, of which 17 years I have been the Resort Manager.

I have much knowledge about the reality of the communities and their needs as well as the peculiarities of the administration, my presence in the committee meetings as Manager of El Marques has provided me with a great experience of the Organization. I have a good level of spoken and written English most important is my capacity for solving problems and attention to members.

I have worked with WimPen and Onagrup as administrators of Las Casitas in Lanzarote for the last few years, where I am also President, and although we have the occasional robust debate, I have established a constructive working relationship with them. I believe they have owners' interests at heart.

The Management Team

Taking over from Ivan Pengelly as Managing Director of WimPen is Señor Germán Castro. Señor Castro is based in Spain, and is represented in the Tenerife Office by Area Coordinator, Ana Martín. Ivan no longer plays an active role in the management of WimPen but has been retained as Community Advisor.

Most of you will know José Jimenez Operations Director and also as Resort Director at Los Claveles, with Jesús Monedero as Communities Financial Director. Heading the sales and rentals team is Jane Oliphant.

The rest of the sales and rental team remain the same as before and are always available to help owners.

Owners' Meetings at the Resort

The Wednesday owners' meetings were originally set up to provide a social occasion where owners could get together for a chat and meet each other in a convivial atmosphere over a drink. They were not 'meetings' as such, but simply a social gathering.

Unfortunately, the whole essence of these meetings has changed into something of a battleground, with a club member appointed 'chair' discussing the club/WimPen dispute, setting owner against owner. There has even been some violence and complaints from some owners and guests who did not want to be disorbed by such meetings.

For that reason, in the interests of peace and harmony, the resort facilities will no longer be made available for this kind of meeting. There is of course no reason why owners can't meet in the privacy of their villa, or off-site in a local cafe.

The Saturday morning 'Welcome' meetings in the Pool Bar continue as before, providing owners and guests an opportunity to learn more about the resort and anything new.

Timeshare Community and Development Owners Association Annual General meeting 2018

This is my best effort to provide an summary of what went on at the meeting

Registration

Although this took a little while, the meeting eventually started on time. The club chairman was admitted and allowed to speak, even though his proxy votes were disallowed, as his votes came from a debtor. His attempts to use 4,000 club votes were ruled inadmissible as the Trustees hold the legal title to their weeks, not members.



Ivan Pengelly

Initially, Señor Castro took the chair, advised that the meeting would be conducted under Spanish Law and read a letter from Ivan Pengelly, explaining he was too ill to travel and authorising Señor Castro to open the meeting in his behalf.

Election of Escritura and DOA President and Owners' Representative

There were questions about my independence. Señor Castro informed the meeting I am not employed by WimPen, and for the purpose of clarity, I can confirm that my role with WimPen Properties Las Casitas as an independent director is purely for the safeguarding of properties owned by the Las Casitas community of owners in my capacity as President of that Community. I have no role with and am completely independent of WimPen Leisure Management.

I was elected President by an overwhelming majority and Peter Mason was re-elected Escritura Owners' Representative.

The Accounts

There were some good questions raised on the accounts, WimPen confirmed they were paying for the refurbishment of the show house,

so that item will not be included in the budget. There will be no increase in maintenance fees.

The Resorts Director showed photos of improvements that have been made to the common areas and WimPen gave an interesting presentation to give an idea of the kind of refurbishment of the villas they envisage. However, owners will be given the choice as they have in other resorts.

Other matters

The proposal to increase the chairman's term to 3 years was and to give WimPen a 6-year contract was passed.

The meeting closed after 5½ hours when I took the opportunity to thank Mr Pengelly for his lifetime's work in developing Los Claveles and wishing him a return to good health on behalf of the meeting.

For the future, it is important for the Club, the DOA and the Timeshare community to work together, and twice during the meeting I explained I would be open to an approach from the club chairman to try and build a cooperative relationship but there was no response.

The official minutes will be sent out to escritura owners and are available for download on the new DOA website at www.losclaveles.eu.

Roger Barrow

Claveles Development Owners' Association Fact File

While I would prefer not to get the DOA or Escritura owners embroiled in the club dispute with WimPen,. However, it affects everyone and you may have seen that the club chairman has recently published a fact file on the owners' website where he claims the DOA AGM was invalid, and he contests my election as President of the DOA and Timeshare Community. He also claims that it is legal requirement to pay maintenance to the club, even though the club cannot provide the service for which you are paying.



These are the facts as I see them:

1. While various legal challenges continue, the Club/WimPen dispute is far from over. The chairman claims it is. If it was over, then there would be no dispute about payments, the combined accounts or the arbitration.
2. The rights and wrongs of the legal issues are matters for the club, WimPen, lawyers and courts to resolve, not us.
3. DOA manage the common parts and employ all the staff.
4. In the absence of a resolution to the dispute, and until such time as it is resolved, nothing will change and the DOA has authorised WimPen to collect maintenance payments and recognises them as Acting Administrators to the Club.
5. Owners should not follow the Committee's advice to reclaim payments made on credit card. Apart from being illegal, owners will not be admitted until any debt is fully settled and may find their membership cancelled.
6. Only owners paying the community will be able to use their RCI points
7. The Community account is a combined Club/Escritura/DOA account. There is no agreement on when it should be divided, or how if at all? To do so is an issue before the Spanish courts.
8. The DOA has published full audited accounts. The club has not.
9. Maintenance payments made to the Community account contribute to the running costs of the resort.
10. Maintenance payments made to the Community account gets you unhindered access to your villa.
11. Maintenance payments made to the club make no contribution to the resort, so owners still need to pay the community.
12. WimPen have a legitimate 6 year contract to be administrators for DOA and Timeshare Community 1.
13. Approaches made to the club chairman suggesting a collaborative relationship between Club and DOA have been rejected.
14. Spanish Lawyers have confirmed that the DOA AGM, which was conducted under Spanish law, was legally convened and conducted.
15. Lawyers have also confirmed that my election as President of DOA and Timeshare community 1 is legitimate.
16. Only those who hold legal title to their timeshares can vote on DOA matters, ie Escritura owners and the Trustees.

MAJOR CLOSE DOWN WORKS 2018

It was a very busy closedown this year with lots of important work being completed. Some of the work was to meet important legal requirements.

Owners will be pleased to learn that some new CCTV cameras have been installed, and also separation for the children's and adult pools. You will also see some big improvements in the gardens next time you visit.

- Re tiling of pathway with non-slip tiles from Villa 52 to Villa 59 including handrail.
- Repairs and painting of "Ducks Lake".
- Re-tiling of pathway with non-slip tiles from Villa 21 to Villa 33 including handrail.
- Re tiling of stairs with non-slip tiles of stairs from Villa 29 to pool area.
- Munich System (filtration around with grills) of the small pool.
- Servicing/maintenance of: Fire Protection System, electricity system and pool machinery, etc.
- Cleaning and repairs of the septic tank.
- Re-tiling of the pool solarium (improved non-slip tiles).
- New pool showers (3).
- New WCs including one for disabled plus Changing Room/Pool Attendant Room.
- Trimming some trees and general enhancement of the gardens.
- New floor for the Mini market, reception, WC and office.
- Painting of Villas (interior).
- Installation of "Water Hoist" to assist disabled owners to enter/get out of pool.



PROPOSED REFURBISHMENTS

At the AGM we were shown photos of the type and style of villa refurbishment WimPen has in mind for Los Claveles.

No decision has been made yet, that will be up to owners at a future AGM, but the Manager's house is currently being refurbished as a show villa to enable owners to see and make comments.



Notes and News

Resales

There a selection of villas for sale from the resale programme, including villas with prices reduced by owners for quick sale. Contact Steve in the sales office for more information.

Renting an extra week

Rental rates for owners wishing to rent some extra time offer very good value, and unlike other resorts, have not been increased in price since 2015

Letting your weeks

Can't use your weeks this year? As long as you pay your maintenance in time, you can consider putting your weeks into the letting Programme. While there is no guarantee the weeks will be let, the Administrators have a very professional rental marketing programme and there is not only a good chance your letting will be successful, but also a chance you will make a modest profit.

Contact the Administrators to find out more about renting and letting.

Keeping in touch

I want to make myself available to Owners. You can contact me by private email at rogerbarrow@losclaveles.eu

Also please feel free to call me if there is anything about the resort you would like to discuss.

Roger Barrow, President, Los Claveles Development Owners Association and Timeshare Community 1
email: rogerbarrow@losclaveles.eu
Phone or text: 0796 222 4554

Other contacts:

Escritura Owners Representative,
Peter Mason:
email petermason@losclaveles.eu
WimPen: phone: 0034 922 741 824
email: administracion@wimpen.com

Los Claveles reception:
Phone: +34 922 79 48 64
Email: claveles@wimpen.com
DOA Website: www.losclaveles.eu



The happy Los Claveles team proudly showing off their latest RCI Gold award with José Jimenez, Resort Director in the centre