

SOCIETAT COOPERATIVA CATALANA CONSUMS I SERVEIS DE VALLPINEDA INFORMATION CIRCULAR: JULY 2021

Dear residents of Vallpineda.

The last 18 months have been a difficult time for all of us. Quarantine, diseases, economic repercussions are elements that have affected us all to a greater or lesser extent. This pandemic has altered our lives. The Cooperative has made great efforts to help and solve, as far as possible, situations and complexities presented in the Urbanization during this period.

One of the actions that have been affected has been the possibility of convening the General Assembly of Members. The Consell Rector's intention was always to realize it as soon as the sanitary conditions allowed and, in that sense, has been consulting regularly with the competent authorities to see the shape and way to do it. Our queries have been answered negatively, both in-person (for health reasons and meeting limitations) and electronically (as it is a board of 1,250 cooperative members, the official bodies obliged us to guarantee that ALL cooperative members had the necessary means to participate by videoconference.).

Hoping that the worst of the pandemic is left behind, there is a desire to be able to convene the General Assembly of Members, as long as the necessary sanitary measures are fulfilled on the scheduled date, being subject to possible cancellations or changes depending on the health situation.

We emphasize the IMPORTANCE FOR PARTNERS ATTEND at the next meeting of the General Assembly when the competent authorities can call it.

We will keep you informed. In addition to carrying out the procedures related to 1 to the approval of the annual accounts in the two accounting years 2019 and 2020, **vital agreements will be adopted for the future of Vallpineda**, to prevent the re-establishment of private interests that go against the community.

At that meeting, agreements will be adopted and information will be transferred about the existence of a small group of neighbors who in this environment of difficulties generated by the health crisis, taking advantage of the legal restrictions for the celebration of the General Assembly of Members, far from keeping a collaborative attitude in these difficult times, have decided to take advantage of this situation to develop one campaign against Vallpineda acting under unilateral criteria without legitimacy, in front of the public authorities, to separate us of the decisions that were taken at the time by the cooperative members in the General Assembly.

Such behaviour may adversely affect the cooperative members, without prejudice to the possible confusion that could generate the spread in social networks of false information on the evolution economic society Cooperative and FONDAT SA.

Diminishing the transparency of its governing organisation, and whose ultimate aim is to address access to the representative organisations themselves to break with the development model providing Vallpineda with such good results.

Currently, Fondat SA also enjoys excellent health economic result of the change of model of management led by the Board, approved by its members, and that was a major breakthrough for the Society, establishing control systems to ensure that no particular interest return to jeopardise the company and to the Vallpineda assets, when often made rest all future partners in the confidence of a gamble staff to a single outsourced company.

However, the experience earlier showed with habitual bad the lack of business guarantees or business support.

The current model implemented since 2015 after recovery facilities SDE Company that is positioned in breach reiterated of the contract, non - payment of income (92,000 euros), non-compliance with investment commitments, and denying delivery facilities. Finally, under the umbrella of bankruptcy, it allows not to relapse into old errors of management models. The fruits of an important development during these years of work are collected, avoiding that management line.

The direct management of assets through the exploitation of those areas of own activity, without intermediaries or outsourced agents, and on the other hand, limiting the exploitation contracts with third parties without delivery of facilities and diversifies in various agents specialized in each activity, only Within its professional area, such as the tennis school or summer stage. Allowing the increase in operating income and reduces the risks derived from a loss of direct control of the facilities in the face of non-compliant situations.

All this has made it possible to achieve a situation of economic stability during these years despite the restrictions of the economy derived from the health pandemic, and most importantly, that the profits from the exploitation go to reinvestment, improvement and creation of new facilities that were denied in previous exploitation models.

The current system development for promoting activities socio-sports in Vallpineda has allowed income intended for Vallpineda itself and not to third parties will enrichment and therefore detrimental to Vallpineda.

The current management model does allow and has allowed not only to get out of the treasury crisis that was weighed down to the limit and should have been the origin of a capital increase, but to do so with the renovation of the facilities, and is also a reality the availability of economic capacity for the creation of new facilities.

Such result is only due to the success of the cooperative members to trust the commitment of the Consell rector and Board of Directors towards direct management without loss of control of the assets in Vallpineda, and I do not fall into a easy temptation to promise to constitute visual projects but without support of business solvency guarantees or to back them up.

The Consell Rector concern also derives from once again observing the resurgence of interests very similar to those that had to be overcome in the past, of a few, who favor the abandonment of the management model of proven effectiveness under publicity displays, who in parallel have been proposing the Vallpineda division and with it the liquidation of the services and improvements model currently existing in Vallpineda and without which certain services could not be developed or the improvement of those that are deficient, or for the promotion of socio-sports activities.

For this reason, we believe that **PRESERVE VALLPINEDA** requires the commitment of all partners and their attendance at the General Assembly of Members to avoid a return to times of lousy management. To avoid again the resurgence of outside interests, those of the community protected by many verbal expectations neglecting their risks, which later turned into dire realities, being necessary to preserve Vallpineda from bad practices and interested information for which the collaboration of all cooperative members is required.

These aspects regarding the future of Vallpineda, will be communicated in more detail in the next General Assembly.

Therefore, it is vital to make a special effort on the part of the Cooperative members to attend. The Cooperative members continue to be the owners, of their future and the beneficiaries of all the advantages of living in Vallpineda.

There is an intention, conditional forecast for authorization, that between the end of September and the middle of October could be held gives the General Assembly of Members destined to approve audited accounts for 2019 and 2020, and p UDGET of 1 year 2021. Other issues of concern will be addressed, which are related to the time of the convening of the meeting, among which we can move forward as a summary:

a) Urban Reparcelling Processes in both sectors of Vallpineda.

1. Sitges sector

The Sitges Town Hall has begun a process of economic reparcelling that affects the 265 families in the Sitges Sector. Numerous allegations have been filed against this initiative, pending an administrative response. The Law Office of Cooperative has filed claims against the agreement of the City Council, all those cooperatives that I as requested.

With this economic reparcelling, the Sitges Town Hall intends to hide the financial consequences of its mistakes, attributing them to the Sitges sector residents. After omitting, in 2006, the notification in the form of the beginning of the reparcelling process to all residents, he committed serious errors of a legal strategy in two proceedings against residents of Vallpineda, originated in his negligence of not having registered in the Registry of the property rights acquired in the agreement urban signed with the original owner of the land of the Cooperative, Mr. Casanova, in the year 1971. the result of adverse economic, legal decisions seeks to recover the City Council of Sitges through reparcelación economic, which will not represent any investment in services or improvements of Vallpineda. Our will is to oppose it until the last judicial instance.

2. Sant Pere de Ribes sector

The Sant Pere de Ribes Town Hall plans to start an economic reparcelling process that will affect the 889 families in the Sector. In this case, the City Council has denied the Cooperative an urgent meeting to inform all cooperative members about this matter, repeatedly reliably requested since May 5, without having been fixed. Because of this, only comments and rumours are known without rigour; once the correct information has been obtained, we will communicate it by circulating it to the Sant Pere de Ribes sector residents.

In both cases, actions have been detected by a very specific group of neighbors who are promoting the reparcelling process without attending to the interests of the Cooperative members, and acting independently of them, who have held meetings with both City Councils on the reparcelling, each with its own strategies and not validated by the General Assembly or the Governing Council of the Cooperative, which is the one who represents all the cooperative members. It is an issue of extreme gravity considering the amounts demanded by the City of Sitges Sitges owners that round would be around € 30,000 per household.

Even knowing the situation caused in the Sitges Vallpineda sector, a small group of residents of the Sant Pere de Ribes sector has requested the reception from the Town Hall of this area, all without the approval of the Assembly (which is formed by all of us) and without

measuring the economic consequences that this will have for each of the families in the Sant Pere de Ribes de Vallpineda sector.

b) Status of the implementation of the new water supply system.

Talking about water management, the Consell Rector always based thanking associates for the understanding and the cooperation offered by the great majority was aware that some associates in very localized changes would result in a critical behaviour. In any case, the liability and loyalty to the Cooperative and its neighbours, The Consell rector, are aware that would lead to criticism of the complexity and effort would represent changes. The Consell Rector withdrew an easy and comfortable posture continuist, addressing the necessary reforms of the water system management by the lack of legal and economic viability of maintaining the existing system which for years has governed in Vallpineda.

In its day, the gauging system had provided advantages to neighbours when the water circumstances were different. However, at present, this system constitutes an important economic tax of exponential increase due to high consumption, environmental control regulations, and the tax costs imposed on the consumption of water, added to the costs of acquisition or generation of the material raw or maintenance supply networks, which affects equally regardless of the source of extraction and / or supply and manager or supplying entity, for trat ass of a well staple and usually scarce.

Yet at this time should we meet many meetings including some positions specific anti-adaptation to the system, or seeking treatment difference them respect to the other associates, and in some cases developing critical fierce towards the cooperative and its Governing Council even though such adjustments are of unavoidable compliance. even though such adaptations are unavoidable, applicable in terms of equality between the associates, with no room for differentiations or entering into legal breaches of environmental regulations imposed by the Catalan Water Agency.

Ultimately, avoid an increase in tax costs that are currently unsustainable and penalize all partners regardless of whether or not their behaviour is responsible, as they know from the water canon fees. The failure of the associates who has conduct obstructive to respect the agreements the majorities, - that General Assembly of cooperativist adopted- can only be seen as one use; the effort to avoid others to control their consumption. The Cooperative Society cannot accept out of respect for all those neighbours who have complied with their statutory obligations and assembly agreements for responsible behaviour towards the economic improvement of the members themselves.

The evolution of the metering equipment installation works due to its size; the difficulties of adaptation and scheduling processes of the facilities of communities of owners; repairs and improvements in the supply network precisely on the occasion of such works; The electronic, computer and accounting systems, and the establishment of the test system, before the implementation of the system, has the following development that will address in more detail in the General Assembly:

1. **Term of implementation.**: _ As a result of health pandemic have been delays in the execution of system installation works, suppliers, software and telematic equipment readings; which, together with the delay in the implementation of the adaptations of facilities that were necessary for a part of the buildings of the communities of owners, has determined the existence of a delay in the start-up of the system.

There is also the desire to establish a period of transient testing and communication of neighbours' results before turning dues to the collection. Before issuing fees to collect,

so that, in advance, they can know the average consumption that they currently maintain and the costs that they should bear based on their consumption behaviour.

2. Quotas: It is planned to start the generation of individual quota for consumption in October 2021 (4th Quarter), conditional on compliance with the test deadlines and adaptation to the system with connection to a general meter/adaptation to the battery system of accountants by the Communities of Owners. Otherwise, the beginning of the collection will be delayed by consumption share by measuring accurate until the first quarter of 2022, liquidated the Canon of the water as before, to start the new system of quota bill NDO all concepts of receipt individualized according to consumption.

There is a minimum of associates, as well as a representative of some community owners, after almost all owners and owners' associations have completed their adaptation works, that despite the time elapsed and the moratoriums granted, have not yet started even the adaptation measures of its facilities, on which the Internal Regulations that all the members approved in the General Assembly within the previous provisions will be applied. Those owners who have not allowed the installation of their meter, and communities of owners that have not authorised the installation of the general meter at street level, will not have the installation that allows the water supply to avoid the accounting of their consumption. The communities of owners / buildings that have completed all the adaptation, including the battery where the meters are housed, will have an individualised quota for each neighbour based on their water consumption. The communities of owners that have the general meter installed at street level but without adapting their installation with a battery, since it is not possible to individualise the consumption of each neighbor, the total measurement of the entire community of neighbors will be taken and the community of owners must pay the resulting quota. It will be possible to switch to the individualised quota system for each neighbor when the internal adaptations and the installation of the battery / s have been completed. The high degree of adaptation prevents taking the regulatory measures against individual delinquencies that are set for the suspension of the water supply, due to lack of individualisation or the possibility of measuring consumption in delinquency.

In this situation, associates should understand that it is not possible to identify the share of consumption, or divide equally its parts among neighbors general consumer reporting accountant - general without installing the batteries, which would mean that whether habitually live as if no abonarian for consumption equal -of which indicate various partners in congruence conformes- not be either, but not disaggregate the fee in several installments, for which the Cooperative turn a fee individualized to each neighbor and not to the community of propietarios, because such positioning, that is, that delinquencies from a neighbor that community without adapting the confronts the Cooperative Society and not the community of propietarios would mean transferring to other partners - that have actually fulfilled the adaptation of its facilities in its community - that delinquency that is not its own and that is the cause of the lack of adaptation of another community of owners.

This position in favor and protection of all associates will be maintained by the Governing Council as a principle of rectitude unless all the associates in the General Assembly allow these exceptions, despite having knowledge of the disclosure by some members of communities of owners that Cooperative and Consell Rector is not transparent for not accessing such differentiations between members when exactly is the result -and informed- of the meeting. Binding standard for all members, their reglament or internal approved in General Assembly.

c) Budgets for the year 2021: Will submit them to the General Assembly without prejudice to opening an initial consultation process that will be notified through the usual channels of the Cooperative Society.

d) Quotas: In the current quarter (July-September), the same quotas issued in the second quarter are maintained, both from the general cooperative fees and the water canon's special fees.

We will keep you informed of the moment in which the General Assembly of associates is allowed to be held, if necessary through informative circulars, thanking the help, support and collaboration that many cooperative members have been providing for the proper functioning of our urbanization, showing them our gratitude for this especially at this time of difficulty derivad to the pandemic health.