

Dear friends of the "Collectif",

### **What are we fighting for ?**

In 2002, the management of Euronat tried to impose a huge redevance increase by using the Article IV-A of the "Regulations of use" (that set the rules of Euronat's organisation) since it enabled them to set the redevance level as they saw fit. This attempt triggered a strong reaction and IFE took charge of a collective action in court.

Thanks to this action, an agreement was reached in 2004 with the management of Euronat for 10 years that froze the mechanism of the redevance increase (based on a price grid, with an adjustment related to the minimum wage index and the construction cost index). A new Article IV-A was therefore put into place.

The agreement now reaches its term and the current leaders of IFE have started negotiations. They did so by accepting in advance the result of the expert opinion that they co-financed with Euronat management, which is all the more troublesome as they don't master the ins and outs of the modalities related to this kind of action...

The conclusion of these "negotiations" is a come-back to the former Article IV-A, which means the cancellation of the improvements earned in 2004.

*IFE behaves indignantly, blindly, with incompetence and a proverbial bad faith through the ever present chairman of the redevance commission, and with the blessing of the association chairman.*

We deplore this way of handling talks. Lack of information, due to Euronat management as well as to IFE, has led to many a rumour, defiance and the creation of the "collectif".

The renewal of the current IFE management, in particular in the redevance commission, is at stake. But for what concerns the redevance, the action time is now !!!

Euronat and IFE management currently take for granted the return to the former Article IV-A. The speakers for the Collectif have made it known that for the people behind this movement, this was out of the question. However, it does not prevent us from being pragmatic and willing to put forward ideas : this is the individual opinion of the Collectif speakers !

*Under no circumstances will the speakers for the Collectif mistake themselves for substitutes of the signatories and make decisions on their behalf : every single person will have to act according to their beliefs with whatever means available !!!*

We hope that the following information will shed some light on the obscurity so far cleverly maintained by Euronat management ... as well as by IFE's redevance commission chairperson !!! On this basis, we believe that common sense should prevail and we will put forward a proposal ; everyone should position themselves on it.

### **Where do we stand ?**

- over 300 signatories have joined the Collectif after finding out the argumentation put forward by the redevance commission chairperson.
- An extraordinary meeting of IFE members has been requested so that they can position themselves. The chairman of the association, in spite of the clarity of the statutes, has refused to set up this meeting.

- Speakers for the Collectif (JP Vacandare, D Werbrouck, S Claudot), together with Barbara ROPERS, have been invited by Euronat's management to take part to work meetings regarding the redevance evolution. These meetings have enabled us to gather the information we are sharing with this communication.

### What information have we gathered ?

- Euronat's accounts make the difference between several profit and cost centres that are accounted for distinctly. What we know as "the bungalows" (us !) are one of those centres (technically called "redevance bungalows"). The others are : the swimming pool, the thalasso, the camping site, the sale and building works of bungalows, rental of bungalows, mobiles homes, the shops and the "ready to live" tents.
- This enables to match straight away specific costs to a specific cost/profit centre, and to share the remainder of non-affected costs.  
*For instance : an electricity invoice for the lighting of the bungalow villages will be directly accounted for in the "redevance bungalows" cost centre. By contrast, surveillance is a service that benefits to the whole of Euronat and its costs should therefore spread between the cost centres.*
- on top of the direct costs allocated to the bungalows, the main added charges are:
  - o 15% of the administration staff costs
  - o a share of the amortisation of some existing investments
- an essential repartition key is revolving around the surfaces occupied by the bungalows ; according to the management of Euronat, it is 60% of the overall surfaces (non-affected surfaces excluded). This percentage is used to share many of the general non-allocated costs.

### What does the 2013 redevance pay for ?

	EUR
Redevance	1 182 000
Other income	134 000
<b>TOTAL REVENUES</b>	<b>1 316 000</b>
Rent paid to Grayan & L'Hopital	371 000
Salaries + charges	328 000
Maintenance	245 000
Amortisation	69 000
Fees	57 000
Supplies	54 000
Repairs & interventions	51 000
Affected car costs	48 000
Insurance	41 000
Electricity	30 000
Other expenses	83 000
<b>TOTAL EXPENSES</b>	<b>1 377 000</b>
<b>GRAND TOTAL</b>	<b>-61 000</b>

The books of “redevance bungalows” seem to be regularly in the red, which is of course not acceptable for Euronat and remains worrying for all Euronat’s users. It is this point that would open the door to a redevance revision.

However, the end of validity of the revised article IV-A is leading Euronat’s management to put (brutally) to contribution the bungalow owners, with the blessing of IFE’s representatives, that incidentally throw away their mission of defending their members’ interests !!!

**Pragmatic conclusions after three meetings with Euronat’s management :**

The accounting result of the “redevance bungalows” section has been structurally in the red, due to the way it is reached.

We are convinced that any legal action will end up with an increase of the redevance. We have therefore to propose a method to increase the redevance that would be clear, stable, as economical as possible for all the bungalow owners and also secure for Euronat.

The increase method as advised by the expert (commissioned by Euronat and IFE) “proposes” :

- a gradual growth of the redevance : +20% over 10 years, on top of Minimum wage and Cost of Construction indexations
- added to this, an investment reserve, payable by the bungalow owners before the works are undertaken (“proposed” charge for this : 513.60 EUR per year for a Landes, Landais or Aquitaine bungalow)
- The chairperson of IFE’s redevance commission, together with IFE’s lawyer, have accepted the principle of an advance payment, and all investments put forward without any discussion, including the expenses not related to the bungalows !

All in all, this brings us back to the former Article IV-A that enables Euronat’s management to set the redevance level as it sees fit, with the risk that all sums paid in advance may not actually be used for their declared purpose. This opens the door to all possible abuse and the legitimate worry of all bungalow owners, in spite of a retrospective “right to scrutiny”.

This time though, instead of defending the interests of the bungalow owners, IFE is clearly playing against them by accepting every and any thing. !!! To add insult to injury, IFE even tries to cover its incompetence with a touch of demagoguery by defending a right of access to the swimming pool for all bungalow owners, supposedly for free. Even the management of Euronat has understood that this is a bad idea and does not defend it any more ! This “generous” idea would indeed have ended up with the bungalow owners mopping up 60% of the structural deficit of the swimming pool that they are currently avoiding !!! So much for a “free” gift...

**What could we propose that would stand a chance in a negotiation and in court ?**

Simply enough, the bungalow owners should only pay the charges that are related to them, whilst Euronat should use the redevance for what it is meant to pay. In order to do that :

1. The works that do not concern the bungalow owners should be excluded from their redevance, for instance those related to the swimming pool (and other such like equipment to come), the thalasso, the shops, the camping site and the mobile homes... Only the works that benefit to all the centre's users should concern the bungalow owners : those that renew the common infrastructure as well as the grounds on which the bungalows are located.
2. Only the bungalow owners fair share of costs should be included in their cost centre : namely the share of the realised works attributable to the owners. That way, no possible misappropriation of funds : Euronat may invest where it wishes, and bungalow owners have certainty of what they pay for !
3. The redevance level will be fixed so that the accounts of the bungalow cost centre are balanced with a margin tolerance of 5%, as accepted worldwide.

We have been asked to have a look at the prospective investment list : we will do so and report to you !

**And that goes without saying but...**

- Euronat should of course meet its fair share of costs for the bungalows it owns, just like other owners do.
- The principle of a scrutiny of accounts seems accepted by Euronat's management: it should be maintained so that all doubts can be lifted over the tendering procedures and the reality of realised works.
- The bungalow owners may also have investment suggestions : they should be heard by Euronat's management.

**The best possible way to refuse the current unfair project is to vote "no" to the proposal of IFE's redevance commission chairperson and simultaneously demand his replacement.** May IFE members use this opportunity to make IFE once anew a trusted partner looking after their interests that will build the future smartly with Euronat's management !