

News letter

Prime Blue 3

August 2019

Edition 3, Vintage 3

Summer meeting the 31st of July

All owners that were staying in Prime Blue 3 at the time participated in the meeting. In addition to the owners, our management company, Vision, was present, as Ayhan Kara and Samantha Brown Gorduemel attended the meeting. Our accountant (Oğuz Kepenekçi) and an independent lawyer Yeliz Özbaşlı who is an expert in the Condominium law, was present as well.

In the beginning of the meeting everyone introduced themselves with name and apartment number.

Eva opened the meeting, and set the agenda as following:

- Lawyer explaining about the Turkish condominium law that applies to our holiday resort
- The accountant explaining how we manage our funds
- Questions and opinions from owners
- Discussion
- Ending the meeting

New shop nearby

A grocery store, A101, has opened not far from the TKI / Ergin Market bus stop

The Condominium law

The lawyer, who is an expert on the Condominium law, informed about the following:

- All holiday complexes in Turkey must have a Management Plan
- The plan is a guideline to the rules of the complex, how the money is managed, dates for annual general meeting (AGM) and who is assuming control
- All owners upon buying an apartment are automatically bound by the Turkish condominium management plan, and no-one can back out
- In order to change the Management Plan it is necessary with a minimum of 80 % of the owners present in person or by proxy
- An owner in Prime Blue 3 may represent two owners in addition to himself, as Prime Blue 3 has 56 owners and the law allows each owner to represent up to 5 % of the owners. 5 % out of 56 owners equals 2,8. Turkish law says it must be an exact number and that is why any owner in Prime Blue 3 can only represent 2 owners in addition to the owner's vote.
- In the AGM the owners vote for a committee /Board of directors, including a Board leader, elected by the majority of the votes
- There are no requirements in the law that the Board members or -leader need to be Turkish, or living in Turkey
- As a holiday resort like Prime Blue 3 often has most of its owners living abroad, it is normal to hire a management company to follow the daily maintenance and manage the workers at the site on a daily basis
- Maintenance fee for the upcoming year is to be decided at the AGM. The Boardleader has no power to change this later, as this is a decision made by the majority of the owners through voting.

- A legally elected Board leader has the authority to start legal actions towards owners who do not act according to the management plan or decisions made at the AGM

The accounting of Prime Blue 3

The accountant of Prime Blue 3 informed about the following:

- Prime Blue 3 is run according to Turkish law
- Prime Blue 3 has no cash-flow as we demand invoices on all purchases
- Most of the purchases are done through shops or internet shops with fixed prices, and are easily controlled
- The Board leader is not compensated in any way for personal expenses
- The Board has decided that the AGM will elect auditors to check the accounting
- Prime Blue 3 has full transparency in their accounting
- The auditors, as well as the Board, can at any moment go through the accounting
- Prime Blue 3's largest challenge is the fact that almost half of the owners do not pay the maintenance fee in due time

Comments, questions and answers

- 1. Some of the owners voiced the issues concerning this year's maintenance fee being 4.500 ₺ as they find it too high and wants the Board leader to change the fee.**

The lawyer and the accountant explained that the Board leader has no power to change the maintenance fee. The level of the maintenance fee for the coming year is decided at the AGM. If some owners are of the opinion that the maintenance fee is higher than necessary to run the complex they can, within a month from the AGM, complain formally. That was not done last AGM, and the maintenance fee for 2019 is set as 4.500 and all owners are legally obliged to pay that.

Eva commented that thanks to the owners that have followed their obligation to pay the maintenance fee in due time (1st of April 2019), those who have not paid can enjoy a repaired and open pool, better seating facilities in the common areas, repaired and functioning lifts etc

- 2. Some owners expressed that it is better to pay extra if something occurs, rather than keeping the high maintenance fee.**

Eva answered that the same discussion had taken place on the AGM last October, but because many of the owners do not pay their maintenance fee in due time (1st of April each year), and that the level of maintenance fee is constantly debated from some owners, it is difficult to trust that when needed, owners will transfer the extra money in due time to pay bills and necessary expenses.

- 3. One owner expressed mistrust in what the common money for Prime Blue 3 are being spent on and asked why the maintenance fee had been increased when the buildings had not been finished painted. She also referred to another complex where she has an apartment, and they have much lower maintenance fee. She also said that the Board leader had been lying about what the money should go to, as the painting of the buildings are not completed.**

Eva answered that the maintenance fee is only spent on common expenses, and the money we do not spend is kept in a high interest account. Further Eva reminded the owners that the main cause of the increased maintenance fee for 2019 was the sudden lack of stability in Turkish economy, and that the maintenance fee is no longer paid in Euro or GBP, as well as the possibilities of issues with our draining system that will be needed to address, this in addition to painting the buildings. The accountant repeated that it is the auditor's responsibility to check the accounting. Eva also said that thanks to the high maintenance fee this year, we have been able to make necessary repairs, maintenance and preparations in front of the season.

The accountant reminded that according to Turkish law only the auditors of Prime Blue 3 have the legal right to look at all transactions. As there is absolutely nothing to hide when it comes to the accounting of PB3, we have several times given out detailed information about the financial situation, and Eva will do that again – making a monthly overview from the first half of the year 2018 to be sent out with the next newsletter.

4. Several owners addressed which responsibility the builder have when it comes to the drainage system.

Eva explained that the buildings seems to have French drainage system, but the committee that looked into the issue last autumn recommended that we dig up the stones and tiles that are next to the walls, this will allow the water to go deep into the ground instead of pressure towards the walls. Eva informed that we have obtained the approved drawings for the buildings and that everything seems correct.

Our largest concern this year is the drainage from the balconies in B-block. The drainage might have been blocked by sand and stones and roots since Prime Blue 3 was built. Given that all owners pay the maintenance fee in 2019, we can look into that issue in the autumn.

Samantha also informed that the new roads that have been laid around Prime Blue 3, seems to have caused a new problem this year. The work has led to a lot of water from this year's rainstorms have been standing in the site of Prime Blue 3 in late winter / early spring. Vision has been to Aydin, and they have filed a complaint with the authorities on the behalf of Prime Blue 3. We have not gotten any answers so far. Vision will continue to pursue this case.

5. One of the owners said in behalf of all those who have paid the maintenance fee, that she had been present on the last AGM, and confirmed that everybody had gotten information why the maintenance fee should be increased. She also expressed disappointment and anger towards owners who have not paid maintenance fee, but still use all facilities – also inviting friends and family to spend time around the pool in Prime Blue 3. The owners that pay find that not acceptable.

One of the owners who had been protesting the maintenance fee said on behalf of those owners, that they of course will pay this year's maintenance fee, but that they ask for the Board leader to consider if it is necessary to keep the high maintenance fee for the coming year 2020.

Eva answered that if there is no further dramatical changes in the Turkish economy, or any large tasks to take on in 2020, she will advice the AGM to lower the maintenance fee for 2020.

6. There was also suggested that we should change the gates and install automatic locks. This would be noise reducing, as well as it will give more access control. This not as a security issue, but there was quite some irritation that people not belonging to Prime Blue 3 also uses the facilities of our site.

Eva replied that we can look into the costs of such a change. Eva also said that she had not received complaints about stranger coming in, except for those who have been renting from some owner. A new gate and lock system will not prevent what the complaints have been about, and that is owners have been inviting far too many friends and family into our site too often this summer. Noting that this applies mainly to owners that have not yet paid the maintenance fee.

- 7. Many owners expressed the interest in attending this year's AGM and there was a request about receiving the agenda and the proxy by ordinary mail. It was also requested that the date of AGM should be changed to the summer, as many of the owners are present for a long period during the summer.**

Eva encouraged the intention of attending the AGM and asked for a candidate to a Turkish Board member, as this will be useful for the Board and for the communication with the owners. The agenda for the AGM will be set and sent out with proxies at the latest 14 days before the AGM that takes place the 4th of October 2019 and this can be sent out with post if we get the owners permanent addresses.

Eva explained that the AGM is held in October due to what is noted in the Management Plan, and for her as a Board leader it would have been preferable to keep the AGM in another period of the year, than in October. But, in order to change the date 80 % of the owners must be present at the AGM, either in person or by proxy. The last AGM has had a around 70 % of the owners attending – and that has not been enough to make changes in the Management Plan.

Ending the meeting

The meeting was held in the basement of A1, as we have a projector installed there. The accountant and Eva had prepared an overview of all income and expenses in excel for the first half year of 2019, to be presented in detail. There was no interest in looking at that overview, but some complaints came that it had been too warm to sit in the basement, and that it would have been better to sit around the pool.

Eva invited some of those owners who do not trust what our common money is spent on, to have a closer look after the meeting, but nobody had any interest in that.

The meeting ended.