

My comments on the Arcadia AGM 26. May 2015 at LotusM

About 14 Homeowners and 18 apartments were represented at the second Arcadia AGM 2015. Most Homeowners were represented by proxies.

Agenda nr. 1 - To receive and approve the accounts for 2014 / 2015

The updated accounts was presented at the meeting (and Excel is attached). After some Q and A the accounts were approved. LotusM was encouraged to do more for collection of the outstanding service fees (25.649 TL by the presented accounts).

Agenda nr. 2 - To elect and appoint a Board of Controllers for 2015 / 2016

Fritz Jensen (B1 and B6), John Steward (C2) and Gerard (C9 and D6) were elected.

Agenda nr. 3 - To elect and appoint a Complex Manager for 2015 / 2016

LotusM had send out their quotation for their services with 2 staff and a monthly service fee of 295 TL per apartment. In February John Steward (C2) send out a quotation for an alternative property manager (Plus-Homes-SPM) of 225 TL including 3 staff and 24x7 watchmen. Carsten (B4) had sent a written proposal supporting John Stewards proposal but with an additional contingency payment of 60 TL = 285 TL.

The Homeowners voted and a majority voted for Carsten's proposal of 285 TL per month. 225 TL for normal expenses (the SPM quotation) plus 60 TL for contingency and high priority one-time investments (decided later in the agenda)

Agenda nr. 4 - 2015 / 2016 budget and fees

The SPM quotation from Plus-Homes-SPM of 225 TL including 3 staff and 24x7 watchmen was approved for normal and expected expenditures. Repairs and one-time high priority investments are covered by the monthly 60 TL per apartment. Monthly fees for Homeowners are 225 + 60 = 285 TL per apartment starting from July 2015.

Agenda nr. 5 - Installation of Security Cameras.

This is a legal requirement and if we get a warning from the authorities then the Control Board is authorized to comply. Estimated cost is about 6.000 USD. We hope that we can postpone that expenditure for at least some time.

Agenda nr. 6 - Installation of a Wi-Fi system

Estimated cost of establishment is 5.000 - 6.000 TL and monthly fee is 30 - 35 TL per apartment. It was decided to postpone this installation and combine that with the security camera installation project. We want to do all cable installations in one project to reduce the inconveniences for the residences.

Agenda nr. 7 - Installation of front gate lock with code system

This was approved. The Control Board will select the best solution and implement. We do not want a pin-code solution (cannot be kept sufficient secret), but something you can have in your hand to open the gate.

Agenda nr. 8 - Complex and Pool Rules

The actual rules from the Mecitoglu times was updated and approved (copy attached)

Agenda nr. 9 - Amount of watchmen for 2015 / 2016 period.

Because we choosed the SPM service package we will have 3 watchmen in the next year. We will have 24 x 7 x 365 coverage. We will prefer to keep our current staff if possible (and said so to LotusM), The current staff are not employed by Arcadia Homeowners but by LotusM / Mecitoglu. We have to find a good staff solution.

Agenda nr. 10 - Building a toilet and storage room to the communal area

This proposal was decided as a high priority investment. The Control Board is authorized to get this project done when we have sufficient money at the account.

Agenda nr. 11 - The necessary precautions for the flooding

The flood in October last year was very expensive both for the 16 apartment owners involved and for the Homeowners communal areas. Those precautions have a high priority and The Control Board is authorized to take proper actions when it can be done within the budget.

Agenda nr. 12 - Provision of 3rd party and asset liability insurance

The yearly expense of such an insurance will be about 2.500 TL. This proposal does not have the highest priority and we will wait to next Homeowners meeting to get this approved.

Agenda nr. 13 - Informing the Control Board about account reports every month

This proposal was decided. The property manager must provide all three control board members with an updated accounts report every month. The control board will then inform the homeowners when relevant or on request from any homeowner.

Agenda nr. 14 - Other requests of homeowners

Again it was stressed that service fees must be paid timely and the property manager must be consequent if some homeowners are neglecting their duties. In the future the TCL Article 20 will be used when needed:

(Amended : 13/4/1983 - 2814/art.9) Legal action and execution proceedings may be taken against condominium owners who fail to pay their share of expenses and advance payments, by each condominium owner or by the manager, according to the management plan, this law and general legislation. Condominium owner who did not pay all of his expenditure or advance share is liable to pay delay compensation calculated by monthly five percent delay interest for the delayed days.

Our Decision Book (TCL Article 32) was updated and signed

Our Decision Book was updated (see attached copy) according to Turkish Condominium Law Article 32 which is important for the transition from LotusM to SPM 1. July 2015. This transition will be prepared from now on by the Arcadia Control Board.

The Transition from LotusM to Plus-Homes-SPM (SPM)

The Arcadia Control Board is responsible for the transition from LotusM to SPM. Yesterday I had a meeting with Mete from SPM and we discussed the best way of:

- Finalizing the contract between Arcadia Owners and SPM
- SPM references to other property management customers

- Best practice of performing the duties mentioned in the SPM quotation
- Transition of authorizations for bank account, government reports, decision book etc.
- Transition of staff and/or new hires
- Collection of service fees from Home owners and how to progress for those neglecting their duties
- Garden and pool maintenance transition
- How to perform the decisions made at the AGM 26. may.

If you want to know more about SPM they have a web-side:

<http://plushomeside.com/contact.php>

SPM has done property management in many years, mainly for European homeowners. It is my impression that they know the laws and legal procedures very well and that they are proper with accounts documentation. They are also working together with many local service providers when repairs or improved facilities are needed.

Appendixes

Appendix 1: Arcadia AGM 26MAY15 Decision Book

Appendix 2: Arcadia accounts - Summary 19MAY15

Appendix 3: Arcadia accounts - Costs 19MAY15

Appendix 4: Arcadia accounts - Fees 19MAY15

Appendix 5: SPM Fee Proposal 02FEB15

Appendix 6: SPM Fee Proposal add 02FEB15

Appendix 7: SPM Fee Proposal QA 02FEB15

Appendix 8: Arcadia Complex Rules updated 2015

Appendix 9: Arcadia Pool Rules updated 2015

Appendix 10: Turkish Condominium Law with Remarks