

## **Peace, mercy and blessings of God be upon you**

**Message from the chairman and members of the board of Directors of the Floating City Main Home Owners Association in Amwaj Islands 17/5/2023.**

**Dear Members of the General Assembly,**

**Firstly, we would like to express our sincere appreciation for the support and trust you have placed in us. We are committed to serving the interests of the floating city community and working towards its prosperity and well-being.**

**On behalf of the Chairman and Members of the Board of Directors of the Floating City Main Home Owners Association in Amwaj Islands, we extend our warm greetings and heartfelt gratitude to all of you. We would like to take this opportunity to update you on the progress and developments that have taken place since our election to office on March 21, 2021, which is as follows:**

1. On the second day after the conclusion of the elections, we received congratulations from the Chairman of the developer's Board of Directors. However, he also demanded financial compensation from us for the work he had done in previous years under his management. Additionally, he informed us that he would no longer be responsible for the water canal gate or canal maintenance starting from 31/3/2021. This decision was made without considering the more than 450 owners in the floating city.

We sent a letter requesting reconsideration of this decision, but it was rejected. Furthermore, we demanded the repayment of funds that were previously under his control for many years, which we had no influence over. Despite our efforts to address the issue of the turbid and contaminated water in the aqueduct, he showed no concern or willingness to take action until we negotiated with another company to undertake the necessary work.

2. From this place, I would like to express gratitude towards ADVIS AQUA company for their great work and acknowledges their efforts in returning the water to its original state, at the same time with great regret and disappointment towards the developer's management for not showing any concern for the challenges faced by the residents.

3. One of the difficulties we encountered was the unauthorized entry of individuals and the presence of unauthorized vendors in the Floating city, violating the established rules and regulations. In response, we initiated negotiations with several security and safety companies, ultimately selecting G4S due to their competitive pricing and excellent reputation. G4S was awarded the contract to secure the main gate and implement measures to regulate the number of visitors to the floating city. It is important to note that we faced these challenges with ZERO financial resources, but we exerted every effort to overcome most of the difficulties.

4. From this location, I would like to express my heartfelt appreciation and gratitude to the G4S Company for their outstanding work during the restructuring period. I am immensely grateful that they have taken it upon themselves to restore some of the security that has been absent in the floating city for over 15 years. Unlike the developer's management, who showed little concern for our suffering, G4S has stepped up and assumed the responsibility for this important task.

5. As you are aware, we convened the second General Assembly meeting prior to the conclusion of 2021, seeking your support to approve the budget and bye-laws. These proposals were initially modest, aiming to cover the essential operations and primary tasks feasible at that time. The budget amounted to approximately 155,000 dinars, intended for the implementation of fundamental initiatives and key projects within the floating city.

6. Throughout this period, we have encountered a multitude of challenges and have had to confront repeated attacks from individuals seeking to impede our endeavors in serving the community of the floating city. Our initial struggles stemmed from inadequate support during the handover process by the developers. We were provided with an incomplete and outdated list of homeowners, with numerous names being incorrect or absent altogether. Regrettably, we are still lacking essential information regarding more than 120 owners, rendering it impossible for us to establish effective communication with them.

This situation represents a clear violation of the developer's contractual obligations, as it deliberately obstructed our ability to realize our aspirations and goals. Despite these setbacks, we remain steadfast in our commitment to serving the community and addressing the challenges that arise with determination and resilience.

7. Furthermore, it is crucial to highlight that the developer's failure to provide us with all the necessary documents pertaining to the floating city has compounded our challenges. We have not been provided with crucial documents concerning common areas, as well as contracts entered into with other parties. This significant information gap has severely impeded our ability to effectively manage and address various issues within the community.

To rectify this situation, it is imperative that the developer fulfills their obligation to transfer ownership of all common areas, infrastructure, communication ducts, sewage ducts, pumps, electricity and water meters, as well as all lease agreements and contracts for the common areas, to the name of the Floating City main homeowners' association before July 30, 2023. This transfer of ownership is vital for the proper functioning and management of the floating city, and it is essential that the developer adheres to this requirement within the specified timeframe.

We remain steadfast in our commitment to ensuring that the community's interests are protected and that the necessary measures are taken to address these outstanding issues.

8. Unfortunately, the developer's failure to provide all the necessary documents and correspondence related to the buildings within the floating city, including approved maps by the official authorities before and after construction, can complicate matters and hinder effective management and operations.

Moreover, the developer's non-delivery of the sums collected from owners for maintenance and operation until 2025, as specified in the contracts of the third and fourth phases of the project, is a breach of their obligations. Additionally, the failure to hand over the sums collected on behalf of the federation from owners who sold their homes or carried out construction in the floating city during the founding period is a further concern.

The developer's lack of disclosure regarding the health status of the project, including the water gates, agriculture, and other aspects such as cathodic protection. It is essential to have transparency and accurate information about these critical components for the proper functioning and maintenance of the floating city.

The developer's failure to disclose the problems and damages that occurred to the sheet piles, which isolate the project from the sea, due to the non-functioning cathodic protection system is indeed a significant concern. This issue can potentially impact the overall integrity and safety of the project.

We agree that the responsibility for the maintenance and repair costs of these systems should be borne by the developer, as it was maintained at the expense of the owners. The developer should be held accountable for their negligence in ensuring the proper functioning and upkeep of these essential components.

We understand the importance of having the basic map of the project, which served as the foundation for the sale of properties to the owners. It is crucial to compare this map with the current reality of the floating city and identify any remaining lands that have not been registered for the benefit of the owner's association. The ownership of these lands should be transferred immediately to the owner's association to ensure their rightful control and management.

Regarding the lands that have been taken and registered in the name of a third party, despite being part of the common areas in the master plan, negotiations should be initiated to explore options for their return or compensation. It is essential to address these issues and ensure that the common areas designated for the benefit of all residents are duly recognized and utilized accordingly.

Additionally, the developer's failure to provide consolidated financial reports since the sale of the first residential unit in the Floating City in 2008 until March 2021 is a matter of

concern. Access to these reports is crucial for the proper execution of your responsibilities and to prepare a comprehensive report for the upcoming General Assembly.

We will actively pursue the developer to provide the necessary documents, including the basic map of the project and the consolidated financial reports. These materials are vital for the transparent and accountable management of the floating city.

The developer should provide a comprehensive list of all the existing service contracts they have entered into, along with any relevant details and expiration dates. This information is crucial for the proper understanding of the developer's ongoing obligations and responsibilities towards the units in the floating city.

We will actively pursue the developer to provide the necessary information regarding service contracts, interests, and any existing obligations they have. This will allow for a comprehensive understanding of the developer's role and responsibilities in the management of the units within the floating city.

Rest assured that we are committed to upholding transparency and acting in the best interests of the floating city community. We will continue to advocate for your rights and work towards resolving these concerns with the developer's cooperation.

9. We deeply regret to inform you that the developer has engaged in a troubling incident involving the sale of a small plot of land situated behind a sub-power plant to an individual. When one of our esteemed board members sought to inspect the permissions related to this land, he was subjected to offensive language and even physical assault. This behavior is wholly unacceptable and goes against the principles of mutual respect and professionalism.

As a result of subsequent legal proceedings in the courts, it was discovered that significant engineering and legal violations were committed on this specific land. Consequently, all work on the site has been suspended. It is disheartening to witness such disregard for proper procedures and the well-being of the community.

We want to assure you that the safety and security of our board members and community residents remain our top priority, and we will not tolerate any form of harassment or assault. Rest assured, we are committed to upholding justice and ensuring that such violations are appropriately dealt with.

We kindly request your support and cooperation during this challenging time as we strive to rectify these issues and restore the integrity of our community. Together, we can work towards creating a safe and harmonious environment for all residents of the floating city.

10. Furthermore, we have met with the manager of Lanterns restaurants and reached agreements on various issues, primarily addressing the traffic congestion and the improper parking of restaurant customers' vehicles near the homes of the floating city

owners, which has caused inconvenience for them. Additionally, we requested that the manager fulfill their obligations by paying the service fees owed. Initially, the manager made promises, but unfortunately, they failed to honor them. As a result, we sent a written invoice demanding the payment of service charges for the floating city. Despite our efforts, the manager remained unresponsive to our repeated requests. Consequently, we were left with no choice but to escalate the matter to the floating city lawyer, who will initiate legal proceedings to address this ongoing issue and ensure the manager fulfills their financial obligations.

11. Another concerning issue pertains to the land near the main gate at the entrance of the floating city, which is owned by the developer. Initially, this land was intended for the establishment of a first-class restaurant, accompanied by public tennis courts situated above it. However, an unexpected change occurred, and the project was suddenly replaced with a new plan involving the construction of eight three-story villas on a land area not exceeding 1200 square meters.

It is crucial to highlight that, as per the Technical Office brochure for Amwaj Islands in 2018, no landowner is permitted to divide a plot of land for multiple villas unless the total area exceeds 3000 square meters. Consequently, the project encountered significant obstacles and ultimately faltered due to the landowner's failure to adhere to the necessary engineering standards required for such projects.

This deviation from the approved plan raises serious concerns about the developer's adherence to regulations and guidelines set forth for the floating city. It is imperative that all projects within the community comply with established engineering standards and legal requirements to ensure the safety, functionality, and overall integrity of the area.

12. We are actively involved in investigating the matter and are fully committed to taking the necessary actions to address the violations that have occurred. Upholding the best interests of the community and ensuring that all development within the floating city adheres to prescribed regulations and standards remains our top priority.

In response to the developer's legal action against the FC Homeowner's Association, the court has appointed an engineering expert to evaluate the situation. We are cooperating fully with the expert and providing any necessary information to assist in their evaluation. The case is currently under review by the courts, and we are awaiting further consideration and judgment.

Rest assured that we are dedicated to resolving this issue in a just and fair manner. We will continue to work diligently within the legal framework to protect the rights and interests of the floating city homeowners. We appreciate your patience and support during this legal process and assure you that we will keep the community informed of any significant updates or developments.

13. Regarding the issue of The View Flats and Mena 7 Flats' contribution to the maintenance fees of the FC canal, we acknowledge the shared portion of the canal, which amounts to approximately 10% of its length. It is expected that they contribute proportionally alongside us in various projects, including the maintenance of the canal cleaning, canal gate, the cathodic protection system and any related electricity, as stipulated in the budget.

We understand the importance of fair and equitable distribution of maintenance costs among all parties involved. As such, we will continue to engage in discussions with The View Flats and Mena 7 Flats to ensure that their contribution aligns with the shared responsibility for the upkeep of the canal.

Transparency and open communication are key in resolving this matter, and we will make every effort to reach a mutually satisfactory agreement that reflects the proportional responsibility of all parties involved.

14. Regarding the telecommunications company Neutel, which utilizes the infrastructure of the floating city and occupies a building with an approved number (Building No. 177, Road 5704), it is important to note that this building is part of the common area in the floating city as stipulated by the law. Therefore, it is necessary to obtain a monthly or annual rent from the operator for the benefit of the floating city.

Despite repeated attempts to address the issue with Neutel and sending them an invoice for payment, they have shown complete disregard for the matter. Consequently, the matter has been escalated to the company's lawyer to handle it in accordance with the applicable legal procedures.

Rest assured that the Floating City Association is committed to upholding the rights and interests of the community, and it will take the necessary steps to ensure that all parties comply with the law and fulfill their financial obligations.

15. Regarding the land adjacent to the main gate, which is owned by the developer and currently utilized by the Dragon Hotel as a car parking area, the Floating City Association has conducted a thorough assessment. As a result, an annual nominal service fee has been calculated for the floating city.

The purpose of this fee is to ensure that the Dragon Hotel, as a beneficiary of the land, contributes its fair share towards the maintenance and services provided by the Floating City Association. By implementing this fee, the association aims to uphold fairness and equity among all stakeholders within the community.

The Floating City Association will proceed with the necessary steps to communicate this service fee to the Dragon Hotel and seek their compliance with the established regulations. It is essential that all entities within the floating city contribute responsibly

towards the shared services and maintenance expenses to ensure the overall well-being of the community.

16. We understand the challenges faced in collecting service fees for approximately 120 properties in the floating city due to the lack of accurate data and means of communication with the respective owners. However, please be assured that we are actively addressing this issue through various channels.

In order to obtain the necessary information, we have taken the initiative to reach out to the relevant authorities, including the Real Estate Regulatory Agency, the Land Registry, and the electricity and water authorities. This collaborative approach will enable us to gather accurate data and establish effective means of communication with the property owners.

To further emphasize the importance of fulfilling their obligations, the Board of Directors has decided to send warning letters to these owners via mail. This method ensures acknowledgment of receipt and serves as a proactive measure to raise awareness and urge these owners to promptly settle their outstanding service fees.

By taking these steps, we aim to foster a stronger sense of responsibility and encourage all property owners in the floating city to contribute their fair share for the betterment of the community. We appreciate your understanding and support as we work diligently to resolve this matter and ensure the financial stability of the floating city.

17. Unfortunately, we were unable to hold the General Assembly in the previous year (2022-2023) due to the ongoing search for a management company that can efficiently handle the necessary tasks of managing the floating city at a reasonable cost. However, we are grateful to announce that we have recently been successful in contracting with Dominom Properties.

Dominom Properties is now actively engaged in carrying out tremendous and continuous work to ensure the optimal conditions for conducting the General Assembly for the years 2023-2024. Their commitment to laying the foundations and implementing real standards for managing the floating city is commendable, and we are optimistic that their efforts will establish the community as a role model both locally and internationally.

We kindly request the support and cooperation of all residents in extending their assistance to Dominom Properties. Their dedication and aspirations for excellence align with our vision of creating a well-managed floating city that sets high standards for others to follow. By collectively supporting and working alongside Dominom Properties, we can create a thriving community that exemplifies best practices in management and operation.

We appreciate your patience during the search for a suitable management company and believe that our collaboration with Dominom Properties will lead to a positive and

successful General Assembly. Let us join forces to ensure the future prosperity of the floating city. May God grant us success in this endeavor.

18. We appreciate your deep commitment to ensuring the removal of any illegal activities within the floating city. It is crucial to maintain the integrity and legality of the community, fostering a safe and harmonious living environment for all residents.

Daily rentals and gathering groups (Majaliss) that operate outside the bounds of the law can disrupt the tranquility and security of the community. We understand the importance of strictly adhering to legal regulations to address these issues effectively.

Rest assured that we share your determination to tackle these challenges head-on. We will spare no effort in working diligently to identify and address any illegal activities within the floating city. This includes taking appropriate measures to enforce regulations and collaborate with relevant authorities to ensure compliance with the law.

We encourage residents to report any instances of illegal activities they may come across within the community. Your active participation and cooperation are essential in maintaining the overall well-being of the floating city.

Together, we can create an environment where everyone can enjoy a peaceful and law-abiding community. Thank you for your commitment and trust as we work towards achieving this shared goal.

19. Today, we are facing a significant issue with the Central Owners Association, which is demanding substantial amounts of money from us. This demand adds to our existing financial obligations, such as monthly municipal bills and fees for maintenance services in the floating city. It is worth noting that we are essentially paying three bills for the same services.

In response to this situation, we have taken steps to address the matter with the Central Association. We have raised the following concerns and issues:

Duplication of fees: We are being charged multiple times for the same services, which is unfair and burdensome. We believe that paying three separate bills for the same services is unreasonable and needs to be rectified.

Lack of transparency: There is a lack of transparency in the financial operations of the Central Owners Association. We are requesting more clarity and detailed breakdowns of the fees we are being charged.

Justification for additional fees: We require a clear explanation and justification for the additional fees imposed by the Central Owners Association. We need to understand the basis for these charges and whether they are in line with the services provided.



Fairness and equity: We believe it is essential to ensure fairness and equity in the distribution of financial responsibilities among the members of the floating city community. Any fees or charges should be reasonable, proportionate, and distributed equitably.

We hope that by addressing these concerns with the Central Association, we can find a satisfactory resolution that alleviates the financial burden on the residents of the floating city and ensures a fair and transparent system for managing the associated expenses.

In response to this, we have raised a number of concerns with the Central Union, including the following:

- We strongly urge the Central Owners Association not to halt any construction or maintenance work within the Floating City due to the disputed financial claims. It is essential to note that such decisions fall under the authority of the Board of Directors of the Floating City Owners Association, in accordance with the law. The jurisdiction of the Central Association is limited to external common areas, not internal ones.

Regrettably, the Central Association continues to make decisions that surpass the boundaries defined by the law. They are demanding individually unverified and excessive sums of money from owners for the years 2020, 2021, 2022, and 2023, which are the primary points of contention between us.

It is imperative that we find a resolution to these financial disputes through proper legal channels and adherence to due process. We are committed to upholding the rights and interests of the owners while ensuring that all financial claims are audited and in line with legal requirements.

- Regarding the budget for the years 2022 and 2023, we are currently engaged in negotiations with the Central Owners Association. We have noted that the proposed sums from the Central Owners Association exceed the amounts allocated in the years 2020 and 2021 by approximately 40%. We have requested clarification from the Central Owners Association regarding the specific services they have provided and will provide to the Floating City in exchange for these fees. However, we have yet to receive a response to our inquiry.

It is crucial that there is transparency and accountability in the allocation of funds, and we are committed to ensuring that the fees charged by the Central Owners Association are justified and correspond to the services rendered. We will continue our efforts to obtain a satisfactory explanation from the Central Owners Association regarding the increased fees and the corresponding services to be provided.

- The exclusion of the Floating City Association from the elections in 2022 by the Central Association, based on the pretext of unpaid service fees, raises serious concerns. It is important to clarify that the Floating City Association cannot be held

responsible for any unpaid fees or actions of the previous developer prior to assuming management of the floating city.

We firmly assert that the Floating City Association is a significant and existing association within Amwaj Islands, and it should be granted the right to participate in elections and decision-making processes that affect the community. We believe in fair and equitable treatment for all residents and associations within the floating city, and any exclusion based on unfounded grounds undermines the principles of democracy and representation.

We will pursue all available avenues to address this issue and ensure that the rights of the Floating City Association are protected. It is our duty to advocate for transparency, accountability, and a fair electoral process within the whole community.

- Despite the challenges we have faced, we remain committed to seeking resolutions and finding common ground through continued consultations with the Central Association. Our goal is to reach understandings that satisfy all parties involved. We understand the importance of fostering harmonious relationships within the Central Association and working together to address the needs and concerns of the floating city community.

Once the main and subsidiary federations within the Central Association are adopted, we will adhere to the agreements and commitments that are established. We believe that open and constructive dialogue can lead to mutually beneficial outcomes, and we are dedicated to working towards a cooperative and unified approach within the Central Association.

By prioritizing collaboration and cooperation, we aim to create a framework that promotes the best interests of the floating city community and ensures that all voices are heard and respected.

**Finally, but certainly not the end,** we extend our heartfelt appreciation and profound respect for the unwavering support we have received during our tenure. It is with immense gratitude that we acknowledge the collective efforts and collaboration of all members, which have enabled us to overcome challenges and make progress.

We firmly believe that by working together and fostering a spirit of unity, we can achieve remarkable accomplishments for the floating city community. Our commitment to serving the community remains unwavering, and we will continue to dedicate ourselves to the betterment of the floating city and the welfare of its residents.

As we embark on the next chapter of our journey, we seek the blessings and guidance of the Almighty. May God grant us success in all our future endeavors as we strive to uphold the highest standards and fulfill our responsibilities with utmost dedication.

Once again, we express our deepest gratitude for your trust and confidence. It is an honor to serve as the Chairman and Members of the Board of Directors, and we pledge to continue our relentless pursuit of excellence for the betterment of the floating city. Thank you, and may God bless each and every one of you.

**Mahmood Al-Mahmood**

**Chairman,**

**Floating City Main Home Owners Association,**

**Amwaj Islands.**