

Avalon Springs Body Corporate

Minutes of the Annual General Meeting of the members of the Avalon Springs Body Corporate held at 18H00 on 23 August 2017 at The Peninsula Hotel

1. Welcome and Apologies

- The Chairman, Weston Dickson, opened the meeting by extending a warm welcome to everybody present and introduced all the current trustees to all the attendees.
- Weston introduced Gavin Hatherley as the new GM of Avalon Springs and gave thanks to Sean Engelsman for all he did in the year with us.

Apologies

- Apologies were received from G. Miller, T. Le Feuvre and J. Collopy (Hare)

2. List of Proxies Received:

- Rosslyn Mary Craig 404 F12 appointed Moyra Roux
- Rosslyn Mary Craig 202 F04 appointed Robyn Pattenden
- Ross James 407 M05 appointed Weston Dickson
- Trafalgar Holiday resorts appointed Carol Ann Wright
- Flexi Club Property Holdings appointed Hedley Michael Adams
- Club Property Holding appointed Michael John O'Sullivan
- Dream Vacation Club appointed Weston Dickson

3. Notice/Quorum

- The notice had been circulated within the required period. The chairman confirmed a quorum was present and accordingly the meeting was declared properly constituted.

4. Election of a Person to Chair the Meeting

- Weston Dickson was nominated by Hedley Adams. Weston Dickson accepted.

5. Presentation of Proof of Notice of meeting

- Weston Dickson confirmed that the notice was sent to all owners.

6. Approval of the Agenda: Resolution One

- Hedley Adams approved the agenda, seconded by Carol Wright

7. Approval of AGM Minutes held on 17 August 2016: Resolution Two

- The minutes were circulated to all the Trustees.
- Hedley Adams approved the AGM Minutes, seconded by Carol Wright.

8. Matters arising: Resolution Three

- All matters were addressed.

9. Consideration of the Trustees' Report

- The report has been circulated and Mr Dickson just mentioned a few of the items such as occupancy that is still extremely high.
- Mr Dickson mentioned the Hotel School and that we are getting about 15 new students for next year.
- The J M Lounge area as well as Cogmans has been refurbished. The maintenance stores have been moved and the area is currently being used for children's games.
- The Wi-Fi is still a problem but we are still working on this issue. Gavin reported that MTN has a fiber cable that we are trying to access. We are also looking at various other options.
- Mrs Lewenson asked if they were going to do something about the television signal that is very bad as well. Gavin reported that they are looking at a new option of putting decoders in each unit.
- 13 Sleeper couches have been replaced and there is quite a bit more to be done for the rest of this year.
- The Lift is scheduled for replacement in September this year.
- New linen, gowns and towels will be placed in units this year.
- Bathroom refurbishment is also starting and all the B types have been done as well as 501 and 502. Mrs Lewenson asked that shelves be placed in the bathrooms around the basin as there is no place on which to put your things.
- Mrs. Beinart asked why the baths are not removed and just showers placed in the bathroom. Nick advised that this is what we are busy doing. Some guests with small children might still want a bath for children. We are looking at converting most units to showers however we might leave some baths. We will have to look at how this works out.
- Mr. Mayer asked if we are using solar panels at all. Weston advised that this option was used previously, but due to the extreme cold the panels used to crack. Nick also advised that due to the sunlight hours available in the valley the feasibility is not that good as the payback period is very long. We still have this option on the cards but at this time it is not financially feasible. We are monitoring the electricity usage constantly.

10. Insurance replacement values: Resolution Four

- The buildings were insured for R32 Million and the contents for R 3 Million. Business interruptions for R9.2 Million for 18 months, public liability of R 80 Million and there is employee liability of R 20 Million. Fidelity guarantee of R2.5 Million in terms of CSOS. No questions were raised and Weston advised that the whole resort will be reevaluated in 2018.

11. Insurance: Resolution Five

- Mr Dickson said that the extent of the insurance cover was included in the point above and asked if everybody was happy with this. Mr. Hedley Adams proposed that this was accepted and seconded by Carol Wright.

12. Budget for the year ending 28 February 2018 : Resolution Six

- The levy was increased by 17.5% and has been in place since 1 March 2017 and the majority of that went into future reserved that was increased from R 670 000.00 to R 1.2 Million. We are making every effort to keep costs low but we need to build up the reserves. Gavin will concentrate on increasing the skills of the maintenance staff so that we can do more work ourselves and not get in professional services when

not absolutely necessary. He also wants to increase the Maintenance team so that all the work can be done.

- Salaries and wages – staff receive free transport as well as a meal allowance. They are also getting a 13th cheque. We also now want to introduce the performance bonus in place of the 13th cheque to get more productivity out of the staff because someone could in fact be getting much more than the 13th cheque amount if they perform. Mr. Beinart asked that we make sure that the staff understands the whole concept and the criteria 100% before it is implemented. Weston agreed that this is a problem but we are hoping to roll this out in 2018/2019.
- Roy Lipman asked about the pension fund. Weston replied that the pension fund used is the Absa workers fund and it is now compulsory for all new staff to join this fund.
- The reserve build up must be 25% of your annual levy income. .
- Nick advised that ERO is assisting with the monitoring of our electricity usage to try and make sure that we have a saving on this item.

13. Presentation and approval of 10 Year Maintenance and Replacement Plan: Resolution Seven

There was an increase in the maintenance reserve due to the new Sectional Titles act. The 10 Year plan will be discussed and relooked at the budget meeting in November. Mr. H Adams proposed that the plan is approved.

14. Financial Statements

- Mr. Dickson asked if there were any questions about the Financial statements, they are on page 17/18 – page 29/30
- Mr. Dickson mentioned that we have an amount of R 805 000.00 transferred to the refurbishment reserves.
- Communal costs are split between the three entities and how the split was done was decided 6 years ago. We try to be as fair as possible to all three entities.
- Levy collections are doing well. There are some problems with a few weeks where the owners have emigrated or are Estates Late. DVC are paying the current levies of these weeks and have the use of these units. No transfers will take place until the owners agree. Carol Wright will ask Professor Paddock for some advice on these units.
- Mrs. Lewenson asked what has to be done once a unit is in a estate late and needs to be transferred to a new owner. She was advised that any outstanding levies must be paid and then a levy clearance and consent to transfer will be issued to the attorneys and the property must be transferred via the deeds office.
- The approval of the Financial statements was proposed by Mr. H Adams

15. Auditors: Resolution Eight

- Our current Auditors are called Grant Thornton and do the audit for the whole resort. W. Dickson proposed that we stay with Grant Thornton and was seconded by H. Adams
- Weston advised that the increase this year was the cost incurred for the accommodation and meals that was previously carried by the Hotel.

16. Number of Trustees: Resolution Nine

- Mr. W. Dickson proposed that the number of trustees remain at 7 and this was seconded by Mr. H Adams.
- Moosa Lawrence explained that the take over at last year's meeting was quite traumatic for him but after consideration of this issue, he realized that this was done due to the concern of what is happening in the timeshare industry. So all concerns are now laid to rest.

17. Election of Trustees: Resolution Ten

- All current trustees indicated that they will stand again. Mr. W. Dickson proposed that it be accepted that the same 7 trustees are elected for the next year.
- Shumeez asked if nominations can still be made for trustees. Weston advised that he has no problem and Hedley Adams also said that there are no objections from the other trustees.
- Amien Amod was then nominated to join as a trustee. Weston to follow up with any discussion or documentation on this nomination.
- Trustees will be: Weston Dickson, Carol Wright, Hedley Adams, George Miller, Amien Amod, Mike O' Sullivan, Roy Lipman and Moosa Lawrence.

18. Scheme Rules

- There have been no amendments to the Scheme's rules and none have been lodged during the financial year as adopted by the body corporate under Section 10 of the Act

19. To give directions or impose restrictions referred to in Section 7 (1) of the Act: Resolution Eleven

- Roy Lipman proposed that the trustees do not claim transport or travelling fees. This was agreed.

20. To determine the domicilium citandi et executandi of the Body Corporate: Resolution Twelve

- This stays c/o Uitvlucht Street, Montagu. 6720

21. The financial year end of the Body Corporate: Resolution Thirteen

- In terms of the new Act the financial year runs from the first day of March to the last day of February of each year unless resolved otherwise by the Body Corporate in the general meeting. Carol Wright proposed that this stays the same, seconded by Mr. H. Adams

22. General

- Mr. Beinart advised that he has not received the 2018 timeshare calendar. Weston asked Debbie to make sure that this is sent to everybody.
- Mrs. Shaskolsky asked what was being done about the artificial grass on the island pool area. When it is wet, it is smelly, soggy and nasty. Weston asked Gavin to have a look at this urgently. Mr. Mayer suggested that the artificial grass be removed and the area just painted green.
- Mrs. Mohamed mentioned that she has just returned from the Springs and want to advise that she had an awesome stay. The new balconies look very nice but it is not practical. It is already starting to rust. In her opinion Nutek would have been much better to use there.
- Mrs. Mohamed suggested that all timeshare guests are advised that we are now halaal friendly as she was shocked to see that the food areas were empty and not supported by our Muslim guests.
- In her opinion breakfasts are also too expensive. Weston asked if we could also put in various prices for different types of breakfasts. Gavin to investigate and put the necessary information in the newsletter for the timeshare guests.
- Some concerns were raised about the palm trees that should be trimmed and sorted out as soon as possible.
- Gavin was asked to make sure that the trees are tended to and have them trimmed.
- Timeshare owners requested that pub lunches be brought back. Gavin to discuss this with the food and beverage department and re instate this as soon as possible.

- Owners asked about the check in time as there seems to be some confusion. Hotel guests can check in anytime from 14h00 and timeshare owners can check in from 15h00 on the day of arrival.
- Weston assured the timeshare owners that their timeshare units and ownership is safe.
- Mr Pietersen asked about the increase of levies and who decides this. Weston advised that the trustees meet in November on site, they work out a zero based budget. So they take every single expense item and work through what the costs would be. They then work out a capital budget (the replacement side), this is presented to the trustees who will approve this at the initial stage around November and the notice of the levy increase is sent out in December to all owners. The trustees work closely with the management of the resort on this.
- Mr. Pietersen stated that the levy increase should not be so much that it becomes cheaper for a timeshare owner to come in and rent a unit. Weston stated that he feels that the rates at the resort are too cheap. Debbie has argued the point that if they want to increase the rates; they have to increase what they offer. Weston has agreed to look at this. He feels that the resort makes every effort to try and recover levies for the owners who place their weeks in the rental pool timeously. This is a challenge for the timeshare industry to make sure that it is beneficial for a timeshare owner to have timeshare.
- Owners asked why the karaoke was stopped. Weston replied that this was a noise issue and Gavin reported that the whole entertainment program is being revamped. At the moment we are not sure if we will bring back karaoke but we will send out the new program as soon as it is done.
- Table tennis tables and other entertainment items must be looked at and replaced where necessary.

23. Disolve the meeting:

Roy Lipman wished Weston a Happy Birthday and the meeting was adjourned by the Chairman.

Chairman

Date

Matters arising:

GH	Feedback on progress with Wifi
CW	Discuss the Estate Late bad debtors with Professor Paddock and give feedback on course to take.
DN	Get 2018 calendar out to all timeshare owners – check with Lozanne
GH	Timeshare owners newsletter to give full information on the halal friendliness of the resort
GH/KD	Discuss breakfast pricing with Food and Bev department and various options
GH/DS	Have the trees trimmed and dead branches cut off
GH/DS	Remove the artificial grass from the island of the island pool or sort out drainage
GH	Get entertainment program and props sorted out asap for the guests use
GH/DS	Put up shelves in bathrooms around basins

WD – Weston Dickson; DIG – ND – Nick Dickson; LVW – Lozanne Van Wyk; DN – Debbie Nel;
MJ – Marius Julius; DS – Deon Syster KD – Kevin Davis