

Avalon Springs Body Corporate

MINUTES OF THE ANNUAL GENERAL MEETING OF THE MEMBERS OF AVALON SPRINGS BODY CORPORATE HELD 29 AUGUST 2018 AT THE PENINSULA HOTEL, SEA POINT AT 18h00

1. Welcome & Apologies

The Chairman, Weston Dickson, opened the meeting by extending a warm welcome to everybody present. He started off the meeting by introducing himself as the Chairman, and the rest of the trustees being Hedley Adams, George Miller and Carol Wright.

Apologies were received from the following owners: Mrs G Gie, W Schultz Trust, Mrs L Capes, Mrs L Von Saman, Kolonel N Nilsson, Mr M O'Sullivan, Mr M Lawrence and Mr P Elrick.

The Chairman introduced the management team being Gavin Hatherley, Debbie Nel, Lozanne Van Wyk and Nick Dickson.

2. Confirmation of proxies and nominees

Nominations were received from Dream Vacation Club appointing Weston Dickson, and Trafalgar/Flexi Club Property Holdings appointing Hedley Adams, Carol Wright, Mike O'Sullivan and George Miller.

Proxies received from Mr BD Hopkins in favour of the Chairman, Mrs RM Craig in favour of Robyn Ann Pattenden and Moyra Jeanne Roux.

3. Determination of quorum

The Chairman confirmed a quorum present and declared the meeting properly constituted.

4. Election of a person to chair the meeting, if necessary

Weston Dickson enquired if any of the members had objections to him chairing the meeting. All were in favour that he continues as Chairman.

5. Presentation of proof of Notice of Meeting

The Chairman confirmed that the meeting notice had been circulated on the 8th of August 2018, which is within the required period.

6. Approval of Agenda [Resolution One]

The agenda had been issued with the notice; no one had any objections to this. The agenda was approved. This was proposed by the Chairman and seconded by HA.

7. Approval of the Minutes of the previous general meeting held on 23 August 2017 [Resolution Two]

Mrs Beinart advised that one of the proxies for last year listed her unit number as 404F12, which was incorrect. LVW will do the corrections as the proxy was for unit 403F12. As there were no other changes suggested from the floor, the minutes were approved. This was proposed by CAW and seconded by HA.

8. Matters arising, if any [Resolution three]

- *Feedback on W-Fi*

Wi Fi connectivity is a problem as in some areas we have dead spots; HQ has sent the new Wi Fi routers that will be installed next week which should alleviate this problem.

- *Internet*
There is still no fibre in Montagu, and currently we are still using Telkom lines. We only found out recently that was fibre running into our building from MTN. We have negotiated with MTN that they will set-up a tower at the top of unit 628 with a 50 Meg uncapped data line coming through. This should alleviate a substantial amount of our internet problems.
- *Estate Late Bad Debtors*
CAW confirmed that Estate Lates' are a problem. She requested legal advice from the Paddocks team and they confirmed that what we are doing is correct. The first thing that needs to be done is find an executor to the estate; then there are a whole lot of processes related to that being whether the Estate has been wound up or whether no executor has been appointed. When we can locate an executor, we need to refer the matter to the new Community Service Ombud. We are therefore dealing with this as best we can, but not necessarily successfully.
- *Breakfast Pricing*
The hotel has not put up the price for breakfast; we cannot have different prices for full breakfast or continental, as it becomes a control issue; therefore, the decision was taken to leave it as is.
- *Trimming of Palm Trees*
Some of the trees are 40m tall; our maintenance team cannot get up that high to cut the branches. We would need scaffolding and proper safety equipment to do this ourselves. We then asked for quotes from outside companies, whose prices came in at R3000 per tree.
- *Entertainment program*
The entertainment program is the one thing that has been lacking at Avalon. The proposal is that we are going to employ a proper entertainment manager and an entertainment officer, who will be responsible for the program that will include Bingo Evenings, Wine Tastings and Promotional Evenings to Kiddies Entertainment etc.
- *Bathroom Refurbishment*
To date we have done 12 out of the 30 bathrooms; and GH confirmed that there is good and bad in all of them. For this reason, the Managing Agent has proposed that with the upgrade of the 2nd floor bathrooms coming up in January/February 2019, we close off the 3rd floor as well and also re-do their bathrooms, in conjunction with this the passages and foyers that need to be re-tiled. While doing this we will also repair what was not done properly the first time.

9. Consideration of the Trustees' Report

A copy of this report was available on arrival. The Chairman asked GH to give a slide show presentation rather than reading through the report.

We had to upgrade the transformer as with the chalets added on, the old transformer could no longer carry the load of the Hotel, Mountain Chalets and Avalon Springs Body Corporate. A portion of the cost was borne by the municipality with an agreement that our portion to be split between the three entities. The total cost for this project was R 643,667 and is due to be completed during the current financial year.

Refurbishment of the bathrooms in units 101 – 106 was done, which included the replacement of bathtubs with showers, new vanity slabs and new toilets, as part of an ongoing project, the total cost equates to R 256,536.00.

The usable area of Unit 107's balcony was increased by re-tiling and extending the stainless steel balustrade.

The lift refurbishment and synchronization commenced in October 2017 to a value of R605,260

This cost was shared between all three entities:

Timeshare R 362,624.00;

Mountain Chalets R 181,312.00;

and Hotel R 61,324.30

The project was completed in July this year and is expected to show electricity savings, as well as provide additional convenience. One thing that is a huge problem is that the one lift is stainless steel and the other is painted. We are in the process of getting quotes replace the lift frames and door with stainless steel.

We had major problems with the pool on the pool deck. The maintenance team repaired the floor area and they re-carpeted this area. The fake grass has been removed from the Island Pool, we are putting a new surface that can be cleaned daily.

The indoor pool is a massive problem; with the amount of moisture and lack of ventilation the roof and surrounding areas are moulding up. Maintenance is in there three times weekly to drain water. With this being such a problem, we are considering closing the pool and creating a new Health Spa in this area.

New individual DSTV decoders have been installed in all the accommodation units; previously guests could only view 12 channels, they now have access to the "Hotel Bouquet", which consists of approximately 55 channels. In the Mountain Chalets, we have installed decoders in the lounge and both bedrooms, allowing families with kids to watch different channels in all three areas. The reason we only have the hotel bouquet available is due to the broadcasting compliance requirements that there is certain broadcasting restrictions on where the "Premium Bouquet" is allowed to be shown. In a public area and hospitality we are only able to show the "Hotel Bouquet".

Mrs Mohamed from unit 502 had problems with the DSTV. GH confirmed that there is only one decoder in the unit, and all three TV's will broadcast the same channel as it is single view. Mr Dawson queried the quality of picture, and it was confirmed that the signal has improved dramatically.

Wi-Fi is still an ongoing problem that is receiving our attention. We will be installing additional routers within the next two weeks to better the signal.

The road from Ashton to Montagu is still under construction, with completion date due to be July 2020, as the main contractor is in business rescue.

Dream Resorts & Hotels has a long history with Cristal House. It is a school based in Cape Town, where they take the poorest of the poor and they put them through school. They also take them through tertiary education after school. We had one student from Cristal House that did their Diploma in Hotel Management who is currently working at the Le Franschoek Hotel. GH and DG met with their Art Director and arranged that six of their learners come to Avalon to create some artwork for us to display in the restaurant and lounge. We will be hanging these paintings in our restaurant and make prints of the originals to sell. Once all the prints are sold, we will auction the original paintings. All the proceeds will be given back to Cristal House.

WD thanked the staff for their hard work; he also informed all the Marius Julius has resigned, and he thanked him for his years of service.

10. Insurance replacement values [Resolution Four]

The Chairman referred to page 3 of the financials for the insurance breakdown. The insured valued of the property is currently as follows:

- Buildings (Fire and allied perils) – R 34, 510, 531
- Contents – R 3, 347, 259
- Business Interruption (18 months with escalation) – R 9, 907, 635
- Public Liability (applied to resort as a whole) – R100, 000, 000
- Fidelity Guarantee – R 2, 523, 000

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. All present was in agreement, and this was seconded by HA.

12. Budget for the year ending 28 February 2019 [Resolution Six]

The levy increase was 9.75%; the budget is not there for the Managing Agent to just spend, it is there as a guide to what they can spend and they have to report on any variances. The accounts are forwarded to the trustees on a monthly basis.

As there were no comments or questions, the budget was approved, proposed by Mr Weston Dickson, and seconded by Mr Hedley Adams.

13. Presentation and approval of 10-year Maintenance and Replacement Plan [Resolution Seven]

In terms of the new sectional titles act, the trustees are obliged to provide a 10-year plan so that things can be replaced and repaired. Nick Dickson explained that the plan highlights that we try to anticipate what maintenance needs to be done within the next 10 years. We then proportion it accordingly to the timing and useful life of the different assets within the property. The effective outcome is that we try to make sure that our reserve balance that we are transferring into the reserve fund is always sufficient to cover the expenses going forward with inflation. 25% of the levy income should be going to the replacement reserve fund and this year we managed 19.91%.

We are planning to upgrade the pool area within the coming years; we will keep the owners informed of the progress made as currently we have only started with the design.

14. Financial Statements

A full set of financials had been circulated with the notice. The Chairman referred all to page 29 of the AGM pack; we budgeted to have a surplus of R1, 202, 288 and at year end we were slightly ahead of budget at R1, 300, 810, we were controlling the expenses reasonably well. The Chairman referred all to page 21 of the pack indicating that our reserves is very low as from the R1, 3 million a lot was spend on the bathrooms. The Chairman feels that the Body Corporate is not in great shape, but in good shape at this stage.

15. Appointment of Auditors and approval of their fee

The auditors are BDO Cape Incorporated; they are also the auditors for the Avalon Springs Hotel & Mountain Chalets Body Corporate. The Chairman proposed that we continue with their services, which was seconded by Mrs Carol Wright. BDO was reappointed and their fee of R59, 000 approved.

16. Number of Trustees

No changes were suggested; therefore, it was approved that the number of trustees stays at seven.

17. Election of Trustees

The trustees advised that they are all prepared to stand again; as no new nominations were received, the re-election of Weston Dickson, Hedley Adams, George Miller, Michael O'Sullivan, Carol Wright, Moosa Lawrence and Ameen Amod was unanimously accepted.

18. Scheme Rules

The Chairman confirmed that no amendments were made to the scheme rules.

19. To give directions or impose restrictions on the Trustees

We currently have one restriction in place, which is that no Trustee can claim travel fees against the Body Corporate. No added restrictions had been placed on the Trustees and it was agreed that this situation should continue.

20. Domicilium citandi et executandi

There has been no change in the Domicilium of the Body Corporate; therefore, it remains at Avalon Springs Hotel, Uitvlucht Street, Montagu.

21. The financial year end of the Body Corporate

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. No changes were suggested.

22. General

The owners queried whether we are going to bring back Pub Lunches; to which Gavin replied that we will be looking into chalk board specials to be served in the restaurant. He also advised that we have the Terrance Menu available and snacks in the JM Lounge.

Mr Dawson used to be very impressed with our Sunday Lunch offering; however when at the resort a few months ago he was disgusted in the way the food was presented and the quality of service. Gavin advised that two weeks ago the decision was taken not to go forward with the Sunday Lunch.

Mr Barret stressed that it is a huge problem to get the swimming towels dry, as there is no hooks or rails in the bathrooms to hang the wet towels. Gavin will look into a solution for this.

Mrs Jephthas wanted to know how the market value is on the units; she wants to sell her unit and needs help to do so. The Chairman asked Debbie Nel to get her details to forward her the information needed.

23. Conclusion of the meeting

The Chairman thanked Gavin Hatherley and the team for all their hard work, especially taking into consideration the high occupancy figures of late, commenting that it is not easy.

Chairman

Date

Matters Arising

GH	Have F&B department do chalk board specials
GH	See that hooks or railings are installed in the bathrooms to hang the wet towels
DN	Forward Mrs Jephthas' info to Darryn-Lee who deals with the sale of timeshare