

Mountain Chalets Body Corporate

MINUTES OF THE ANNUAL GENERAL MEETING OF THE MEMBERS OF AVALON SPRINGS MOUNTAIN CHALET BODY CORPORATE HELD 29 AUGUST 2018 AT THE PENINSULA HOTEL, SEA POINT AT 16h30

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, Di Gordon and Dawood Esack. He also introduced the management team namely Gavin Hatherley as General Manager, Debbie Nel from Reservations, Lozanne Van Wyk from Admin and Nick Dickson overseeing the resort from Johannesburg.

Apologies were received from the following owners: Mr A Okkenburg, Mr C Apperley, Mr A Barkhan, Mrs C Bee, Mr G Bee, Mr S Rawoot, Mrs T Bender and Dr & Mrs Prins.

2. Confirmation of proxies and nominees

Nominations were received from Dream Vacation Club appointing Weston Dickson and Di Gordon, and Trafalgar appointing Hedley Adams.

3. Determination of quorum

The Chairman declared a quorum present and informed the meeting to be properly constituted.

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

Weston Dickson asked 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 notice had been circulated on the 8th of August 2018 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]

As there were no changes suggested from the floor, the minutes were approved. This was proposed by DE and seconded by HA.

8. Matters arising, if any [Resolution three}

None

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.

The transformer had to be upgraded, as with the chalets coming on board, 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.

Further Mountain Chalet upgrades included, but is not limited to, the ongoing replacing of baths with showers; the tidying up underneath the chalets by installing wooden boards in order to cover up the cables and piping; the clearing away of rubble and the laying of a concrete / stone surface to prevent erosion. The patios of Units 607 and 608 were replaced.

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 in terms of aesthetics is that the one lift is stainless steel and the other is painted. We are in the process of getting quotes to replace the lift frames and door with stainless steel.

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

The indoor pool is a massive problem; due to 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 is about 55 channels to choose from. In the Mountain Chalets, we have installed decoders in the lounge and both bedrooms, allowing families with children to watch different channels in all three areas. The reason we only have the hotel bouquet available is due to the broadcasting compliance regulations stipulating 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".

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 had a long history with Cristal House. It is a school based in Cape Town, who 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 Franschhoek Hotel. GH & DG met with their Art Director and arranged that six of their learners come to Avalon to create artwork for us to display in the restaurant and lounge. We will be hanging these paintings in our restaurant with prints done 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.

The energy management system together with the Jacuzzi Hot Water system has been installed. All of the Jacuzzis and most of the geysers are monitored electronically; when the load starts reaching its maximum capacity the system automatically begins to switch off geysers and Jacuzzi's.

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.

In response to a question enquiring if the alarm system is still operational, GH advised that we are in a catch 22 situation on this, as there were too many false alarms. We have had a few break-ins in the chalets; we have put up fencing with razor wire to prevent access to the property from behind the chalets.

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 59, 026, 467
- Contents – R 6, 394, 959
- Business Interruption (18 months with escalation) – R 15, 176, 019
- Public Liability (applied to resort as a whole) – R100, 000, 000
- Fidelity Guarantee – R 4, 356, 000

11. Insurance [Resolution Five]

The Chairman informed 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 Chairman informed we are continuously trying to keep levies as low as possible, but at the same time provide the quality of service that guests expect.

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

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 the plan highlights 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 19.3%.

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 concept.

14. Financial Statements

A full set of financials had been circulated with the notice. The Chairman referred all to page 13 of the AGM pack; there was a surplus of R1, 482, 000 that was transferred to the replacement reserve fund. The Chairman stressed that we are fortunate to have three entities that share the costs.

15. Appointment of Auditors and approval of their fee

The auditors are BDO Cape Incorporated; they are also the auditors for the Hotel & Timeshare Body Corporate. The Chairman proposed that we continue with their services, which was seconded by Mr Hedley Adams. BDO was reappointed and their fee of R60, 000 approved.

16. Number of Trustees

No changes were suggested therefore, it was approved that the number of trustees remains at four.

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, Di Gordon, Dawood Esack and Hedley Adams 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

To date no 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

Mr Dawood Esack felt that Mr & Mrs Adams and Okkers have attend the meetings for the last few years; they are the ones who requested that one of the showers in one of the bathrooms be converted into a shower, three years later their units have still not been done. All present were in agreement that the managing agent see that it gets done.

It was noted that the underfloor heating in the rooms are not working; Gavin Hatherley informed that as explained at the previous AGM, the underfloor heating as they become non-functional will not be replaced. The two reasons for this are the electricity consumption and is a potential fire hazard. We are looking at alternative ways to heat the chalets; the panel heaters do not work. Two suggestions made were that we either purchase oil heaters or buy electric blankets for all the beds. All present agreed with the electric blanket suggestion; the managing agent to look into this.

Mr & Mrs Adams and Okkers would like to sell their fractional ownership at Avalon Springs. Debbie Nel to e-mail them the relevant information required to do so.

Chairman

Date

Matters Arising

GH	See that the conversion from bath to shower be done in unit 607 and 608
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