

MINUTES OF THE ANNUAL GENERAL MEETING OF THE HOMEOWNERS ASSOCIATION (NPC) OF MARINA VILLAGE HELD ON THURSDAY, 13 DECEMBER 2018 AT 10H00 AT ST FRANCIS LINKS BOARDROOM

1. Welcome and Apologies

Mr Lahana welcomed all present and opened the meeting.

Mr Lahana requested Ms du Plessis to chair the meeting. Recognising Mr Lahana in Chair, Ms du Plessis queried whether there were any objections. Since there were no objections, Ms du Plessis confirmed that she would handle the formalities and as a matter of expediency.

2. Attendance:

a. Present

Mr Loots	Mr Barnes
Mrs Clack	Mr Hijlkema
Van Zyl Investment Trust	Dr Comyn
Mr Cronje	Mrs Schwitter
Mr van Vuuren	Mr SA Clephane
Cool Ideas 1021 CC	Mr SI Clephane
Mrs Arndt	Mr Lahana
Mr Buchman	Mr Cownie
Mrs Serrurier	Seaglates Holdings (x2)
Mr & Mrs von Mollendorff	Mr F Clephane
Mr Holmes	Mr Berry
Mrs Lange	Mr & Mrs Newton
Mrs De Villiers	Mr & Mrs Anderson
Mr Wells	Mr & Mrs Edwards (x3)
GH Dreyer Family Trust	Mr Judnick
Mr Yates	

b. Proxies & Apologies

The following Proxies were noted as apologies.

Mr Stevens	ifo	Mr Lahana
Mrs Meirng	ifo	Mr Lahana
Mrs du Preez	ifo	Mr Lahana
Dr & Mrs Britz	ifo	Mr Lahana (x 2)
Mr van Niekerk	ifo	Mr Lahana
Mr & Mrs Shah	ifo	Mr Lahana
Mrs Kempen	ifo	Mr Lahana
Mr & Mrs Stevens	ifo	Mr Lahana
Mrs Tsengwa	ifo	Mr Lahana
Mr & Mrs De Kock	ifo	Mr Lahana (x2)
Mr Strydom	ifo	Mr Wells
Mr K Clack	ifo	Mr E Clack – in the absence of Mr Clack, the proxy was transferred to Mr Lahana
Mr Stockenstrom	ifo	Mr Dreyer
Mr De Villiers	ifo	Mrs De Villiers
Mrs Anderson	ifo	Mr P Anderson
Mr Serrurier	ifo	Mrs Serrurier
Mr Lange	ifo	Mrs Lange

c. In attendance

Ms du Plessis

(Representing Gateway Property Management)

Mrs G Tudehope

(Representing Gateway Property Management)

d. Quorum

There being **ninety-five (95)** registered Members, and a quorum of **six (6)** members was required in person or by proxy. There were **fifty-three (53)** Members and Proxies represented at the meeting, thus forming a quorum.

Notice of the meeting having been given in the prescribed manner and a quorum being present, Ms du Plessis declared the meeting properly convened and duly constituted.

e. Chairperson

As per point 1 above.

3. Tabling of any items to be discussed informally after completion of all business of the meeting:

Ms du Plessis advised that the below items would be added to the Agenda and discussed under item 15 of the Agenda:

- 3.1 3306 "Quayside Property"
 - Included or not
 - Slipway Servitude application
 - Slipway Security
 - Mooring Owners Association to the MVHOA
- 3.2 Vacant stands being used for parking - Mr Anderson
- 3.3 Building Guidelines & Checklist // Update
- 3.4 Phillip // Clarity on services

4. Confirmation and adoption of minutes of previous Annual General Meeting held on the 18 December 2017

On the proposal of Mr Dreyer and seconded by Mrs Serrurier, the Minutes were confirmed as a true recording of the proceedings and signed by Mr Lahana.

5. Matters arising from the previous Annual General Meeting

No matters to be discussed.

6. Chairman's Report

Ms du Plessis advised that the Chairman's report was circulated prior to the meeting.

Mr Lahana added that the Directors were investigating a possible water sourcing solution and to sink another borehole. The Directors engaged the services of PureCare from Port Elizabeth, a company who filtered water. The potential was to pull water from the existing borehole and to filter the water on site. This would be a costly exercise, however the HOA would be off the grid with water.

Mr Lahana advised that St Francis Link's recently completed the above projected at a cost of R1.2 million. However, with Marina Village being smaller, it would cost between R300 000.00 to R400 000.00, which would entail a proper filtration system for drinking water. The Directors intention was for the company to do a presentation at the meeting today, however due to the water testing not being completed, this was not an option. The incoming Directors would be investigating the matter further.

Mr Lahana advised that it was a necessity to activate the rear entrance gate into Marina Village for the use of contractors / service providers, since the front gatehouse had become too busy and the congestion was blocking the intersection of Seaglades / St Francis Drive.

Mrs Serrurier queried whether domestic staff would also be required to use the rear entrance gate. The Directors advised that the matter was still under investigation, however a personalized tag could be programmed for staff.

Mr Berry reported that the municipality pointed out that there must be a second entrance gate for a fire / emergency exit.

A discussion ensued, and Mr Miller reported that the Directors were in the process of investigating a new tag system, which would be able to track the access to the estate.

Mr Loots expressed his concern regarding the opening of the gate and advised that he would challenge the matter, however he also mentioned that he was willing to compromise, as per the meeting held directly with the Directors.

The report was therefore approved and entered into the records.

7. Consider and approve the audited Financial Statements for the previous financial period.

Ms du Plessis referred to the income statement and reported that the total levy income for the year was R645 394.00 and R32 914.00 from that was an additional income, due to the following:

- interest earned on the investment account
- interest earned on arrear levies
- building penalties

Ms du Plessis advised that the Home Owners Association had a surplus of R53 082.00 at the end of the financial year, compared to a surplus of R60 419.00 in the previous year.

The Accumulated Surplus for 2018 was R2 202 197.00, up from R2 073 504.00 in 2017.

The Balance Sheet reflected bank and cash balances as of August 2018 at R435 447.00 up from R371 008.00 in the prior financial year

Ms du Plessis reported that the HOA funds as at 11th December 2018 were as follows:

Standard Bank Current Account	-	R33 369.37
Standard Bank MR & RR	-	R452 707.52
Total Funds	-	R486 076.89

With the above, the financial position of the scheme was sound, and the HOA was Solvent.

Ms du Plessis thanked the owners for paying their levies timeously which assisted with the cash flow of the scheme, however there were a handful of owners who failed to pay their levies. Ms du Plessis confirmed that action was being taken against those owners.

Ms du Plessis advised that the monthly owner statements were circulated to the Directors, which detailed the financial position of the scheme. Should any owner require a copy of the monthly report, please email GPM to include same when circulating.

Mr Dreyer queried whether the levy for erf 3306 was being paid. Ms du Plessis confirmed that the levy was being raised, however not paid.

The Audited Financial Statements ending the 31 August 2018 were unanimously approved.

8. Appoint Auditor, to hold office until the conclusion of the next Annual General Meeting

It was unanimously resolved to appoint Moore Stephens for the ensuing financial year.

9. Determination of the domicilium citandi et executandi

This would remain the Offices of:

Gateway Property Management

20 Maitland Street

Millard Grange

Port Elizabeth

6001

10. Determination of extend of Fidelity Insurance Cover in terms of the CSOS Act – Regulation 15

Ms du Plessis reported that Directors recently resolved to change the insurance, and the Home Owners Association Brokers were now Addsure, and the insurance was with CIA. The total building sum insured was R2 614 306.00 with a monthly premium of R853.98.

Ms du Plessis advised that the policy renewal date was 1 December 2019 and the incoming Directors could revisit the policy on renewal.

The insurance policy included the perimeter walls and other common areas.

The Owners were reminded that their units were freehold and as such, the insurance was for their own cost. The Homeowners insurance only covered the common property.

Ms du Plessis advised that the Home Owners Association must take out insurance for an amount determined by members in general meeting to cover the risk of loss of funds belonging to the Home Owners Association or for which it is responsible for, sustained as a result of any act of fraud or dishonesty committed by a Trustee, Managing Agent, Employee or other Agent of the Home Owners Association.

The minimum fidelity insurance required as per CSOS Regulations was as follows.

Ms du Plessis advised that the renewal was due in January 2019 and updated quotations were being obtained.

NAME OF SCHEME	OPERATIONAL BUDGET TOTAL	25% of OPERATIONAL BUDGET	AMOUNT IN RESERVES (LAST YEAR)	TOTAL FG REQUIRED
Marina Village HOA	580 071	145 018	1 940 664	2 085 682

11. Consider and ratify, with or without amendment, the estimated expenditure for the current financial period

Ms du Plessis advised that budgeted income for the year was R799 464.00 with a total expenditure of R608 316.00, leaving a surplus of R191 148.00 at the end of the previous financial year.

The levies were increased by 30% effective 01 September 2018.

Ms du Plessis suggested that the levies rather be increased annually, instead of every few years, to avoid huge increases.

Ms du Plessis advised that since the levies exceeded the R500.00 exemption, the CSOS levy of R3.00 was therefore now applicable.

CSOS Levies - Raising of CSOS fees and collection thereof will commence from 90 days of publication – every scheme must collect a Prescribed Monthly Levy from every Unit and pay quarterly to the Ombud, with effect 01 January 2017.

The formula for the calculation of the CSOS Levies was as follows:

Levies R0 – R500.00 are exempt, and thereafter are calculated at 2% of the balance, with a **maximum of 40.00**.

For example, if your monthly Levy is R1 065.00 – R500.00 (exempt) = R565.00 x 2% = **R11.30 CSOS Levy**

Resolution:

The budget was unanimously approved and ratified with no further levy increase.

12. Marina Village Improvements

Ms du Plessis advised that all the information regarding item 12.1, 12.2 and 12.3 were included with the notice of the meeting and in terms of the notice, owners had until Wednesday, 05th December 2018 to submit any queries to Gateway Property Management. Ms du Plessis confirmed that none had been submitted to GPM.

Mr Cronje advised that the main concern was the security and reported that quotations were obtained to complete the boundary wall and to install electric fencing. The Association had sufficient funds to complete the wall and electric fence project, however a special levy of R15 000.00 per unit was required to fund the road upgrade project, if approved.

The special levy would be raised either once off or over three months. No discount for owners who paid their special levy once off.

Mr Berry suggested that the project be done in two phases:

- 1) Wall and electricity fence
- 2) Road upgrade

The owners queried whether the wooden fence would be removed. Mr Berry advised that when he met with the contractors, they confirmed that the wooden fence would be removed, and they would build a proper wall with foundation, which would be plastered and painted in order to conform to the aesthetics of the estate.

The Directors mentioned that there was uncertainty regarding erf 3306, therefore the wall from erf 3306 to the slip way would be placed on hold until this matter had been clarified.

Mr Berry advised that the most cost-effective quotations obtained were Homewise for the wall, and KG Security for the electric fence, which would cost approximately R350 000.00, of which would be funded from the reserves.

Ms du Plessis expressed her concern regarding depleting the reserves for the upgrades. The Directors took note and advised that the matter was discussed at a recent Directors meeting and resolved that it

would not affect the Associations cash flow, since the projects would only be done next year, and the Association would receive the monthly levy in the interim.

Mr Clephane queried the dispute on the road responsibility. Mr Lahana reported that the roads were still owned by Seaglates, however the municipality was responsible for the road maintenance.

Mr Hulett advised that in terms of the service level agreement between Seaglates and the municipality, it was their responsibility to maintain. Mr Lahana mentioned that the municipality would welcome the Association taking over the maintenance of the roads. It was noted that a rebate could be applied for, should the Association take over the responsibility.

The owners queried whether storm water drainage was included in the road design. Mr Miller reported that a contingency was included in the quote for any damages to the verge. Once the resolution was obtained, the Directors would appoint an engineer to inspect and provide a report.

The Directors were anticipating doing the projects early next year since there was a price increase in March 2019. The estimated completion time for the roads was 4 – 6 weeks, weather permitting and etc.

Due to the various contractors being on site, the owners expressed their concern regarding the security and requested that the security procedures be strictly adhered to and that ID's of all the employees be obtained, before they commence with work.

The Directors advised that the wall, security and road upgrade would increase the value of their property.

A discussion ensued regarding securing the section between Marina Village and erf 3306 and it was suggested that cameras be installed to monitor this section.

Mr Berry advised that for an additional +/-R40 000.00, the wooden fence could be electrified from the entrance of erf 3306 to the slip way and the electric fence could be used at a later stage, should it be resolved to build a wall between the Association and erf 3306. Therefore, the total cost for the wall and security upgrade project would be approximately R410 000.00.

Mr Anderson suggested that mesh be placed at the back of the fence to secure it even more.

Mr Loots expressed his concerns regarding the security at the front gate and reported that the security guards do not phone the owners when visitors were at the gate. The Directors took note and requested that all complaints be placed in writing in order to address with Calibre Security.

Mrs Hijlkema commented that she had 6 deliveries to her home in the past week and each was announced efficiently through the intercom system.

Since the securing of the additional section from the entrance of erf 3306 to the slipway did not form part of the resolution under item 12.1 and 12.2, it was resolved to vote on the matter.

Resolution

A vote was taken, and it was unanimously resolved to spend the additional +/- R40 000.00 to place electric fence on top of the wooden fence and to secure / strengthen the fence with mesh.

The electric fence would be monitored and linked to the front office. The Directors to discuss and finalize the logistics with Calibre Security.

12.1 **Boundary Walls:**

The ballot forms were circulated, and it was unanimously resolved to proceed with the wall which would be done in January 2019.

12.2 **Security Upgrades:**

The ballot forms were circulated, and it was unanimously resolved to proceed with the electric fence, which would be installed once the wall had been completed.

12.3 **Road Upgrades:**

The ballot forms were circulated, and majority of the owners resolved to pave the road. A special levy of R15 000.00 per unit would be raised effective 01 February 2019, which could be paid either once off or over 3 months (R5000.00 per month). A letter would be circulated in January 2019 informing the owners of the above.

13. Election of Directors

13.1 **Number of Directors (minimum of 3 (three))**

It was resolved to elect **6 (six)** Directors for the ensuing year.

13.2 **Nomination and Election of Directors**

Ms du Plessis advised that 9 (nine) Directors nominations were received and therefore the matter had to be put to vote. The following members were nominated;

- Mr B Lahana
- Mr I Berry
- Mr E Clack
- Mr B Wells
- Mr P Cronje
- Mr D Judnick
- Mr P Cownie
- Mr G Miller
- Mrs G Schwitter

The ballot forms were circulated and based on the number of votes the following members were elected as Directors for the ensuing year.

- Mr B Lahana
- Mr I Berry
- Mr B Wells
- Mr G Miller
- Mrs G Schwitter
- Mr P Cronje

Subsequent to the AGM, a Directors meeting was held, and Mrs Schwitter resolved not to stand as a Director for the ensuing year.

With the above vacancy, Mr D Judnick was appointed as a Director to fill the vacancy.

13.3 **Directors elected to disclose if they have any interest in any contract with the Company (clause 6.7)**

The Directors elected, advised that they had no interest in any contract with the Home Owners Association.

14. Give Direction or impose Restrictions in addition to the following recommended directions:

- i. Estimate of income and expenditure to run concurrent with financial year and, the percentage increase will be implemented at the discretion of the Directors based on the Home Owners Association needs.
- ii. The Directors reserve the right to claim against any owner for damages to common property.
- iii. Taking cognizance of Electronic Communications and Transactions Act 25 of 2002 and the Companies Act 71 of 2008, which gives electronic communications the same status as paper communications, the owners confirm that all communications, should be sent to the owners' elected service address whether this is electronic or postal.

15. Special Business raised under point 3

15.1 **3306 "Quayside Property" which include the following:**

- **Included or not**
- **Slipway Servitude**
- **Slipway Security**
- **Mooring Owners Association to MVHOA**

Mr Lahana provided the owners with the back ground relating to erf 3306. The impact of erf 3306 being included or excluded had various aspect which needs to be considered and would also have an impact on the security of the estate.

Mr Lahana advised that over the last few months, various discussions with the Directors, Mr Hulett and the attorneys involved had been held, however currently, there was a difference of opinions on this matter. The information was sent through to the municipality for them to review and clarify.

Mr Lahana reported that the Directors received confirmation from the municipality that erf 3306 was included, however subsequently, a letter was received confirming that erf 3306 was not included.

The Directors want the matter to be communicated properly between the parties involved and amicably resolved. The slipway must be registered; however, the registration documents had been amended from exclusive use slipway to exclusive use launching facility. This was a security concern since this slipway could be used as a thoroughfare.

The owners queried why erf 3306 was now being excluded.

Mr Hulett advised that it was a complex issue and provided the owners with a brief explanation and his views on this matter, which refers back to 2001.

Mr Hulett tabled a letter from Stockenström attorneys, which confirmed that erf 3306 was part of Marina Village Home Owners Associations.

The Directors clarified their position on this matter and advised that the HOA did not pay for the legal opinion and do not want to get involved in any personal disputes. The legal opinion was only sent to the Directors for their information.

Mr Dreyer provided the members with his fact on the matter relating to erf 3306 and advised that a settlement agreement was signed between the HOA and Seaglades, which was now being disowned.

At the previous Annual General Meeting it was resolved that the owners' rights need to be protected. Mr Dreyer suggested that the matter be referred to arbitration in terms of clause 9 of the settlement agreement.

A lengthy discussion ensued regarding the facts provided by both Mr Hulett and Mr Dreyer. Mr Lahana confirmed that a lot of investigation had been done, and two meetings had already been held with Mr Hulett and his attorneys.

The matters to be clarified and resolved was as follows;

- Erf 3306 Included or not
- Slipway Servitude
- Slipway Security
- Mooring Owners Association to MVHOA
- Was the settlement agreement valid and enforceable by law.

Resolution:

It was unanimously resolved by the members present, that the Directors be given a directive to resolve the matter before end of April 2019, failure to adhere to the deadline, a dispute would be lodged and the matter to be referred to arbitration.

15.2 **Vacant stands being used for parking - Mr Anderson**

Mr Anderson mentioned that vehicles were being parked on vacant stands, which he believed was not correct.

Mr Lahana advised that there was nothing in the rules which prohibited owners from parking on the vacant stands. Various owners were utilizing adjacent erven with the owner's consent; therefore, he did not foresee a problem.

15.3 **Building Guidelines & Checklist // update**

Ms du Plessis reported that the Directors recently updated the building guidelines and checklist to make provision for any new and existing improvements/ alterations. A copy of the updated guidelines and checklist would be circulated with the minutes of the meeting.

15.4 **Phillip // clarity on service**

Mrs Anderson requested that Phillip's duties be clarified. Mr Lahana reported that Phillip resigned and was no longer employed by the HOA, however a new gardener was employed who was very efficient. He was employed to work 4 (four) days a week at the estate. His duties were mainly gardening but would include the general cleanliness of the estate and keeping the roads clear of stones and weeds as well as simple maintenance and painting work of which he would receive training.

16. Dissolve the meeting

There being no further business, the meeting was closed at 13h00.

CHAIRMAN

DATE

A Directors Meeting was held subsequent to the AGM and the following was resolved.

1. In Attendance:

- Mr B Lahana
- Mr I Berry
- Mr B Wells
- Mrs G Schwitter – resigned and Mr D Judnick was unanimously elected
- Mr P Cronje

2. Election of Chairperson

Mr Lahana was elected as Chairperson for the ensuing year.

3. Handover Resolution – Signed by the Directors

4. Interest Resolution – Signed by the Directors

5. The Budget was ratified at the AGM

The levies were increased by 30% effective 01 September 2018.

6. Management Agreement – Signed by the Directors