

BODY CORPORATE OF GREENFIELDS

MINUTES OF THE ANNUAL GENERAL MEETING

HELD ON 13 SEPTEMBER 2017 AT 18H30

CLUBHOUSE, GREENFIELDS

WELCOME – Mr. Wyss of Direct Complex Services welcomed everyone and thanked them for attending the 2017 AGM.

SIGNING OF THE ATTENDANCE REGISTER, PROXIES RECEIVED AND VOTING CARDS

The attendance register was duly signed by all present and has been filed for future reference.

Proxies were recorded as apologies.

Apologies for non-attendance were received from:

- Mrs. C. Pfeiffer; Mr. B. Benson; Mr. A. Cameron; Mrs. J. Groenewald; Ms. M. Misiewicz.

DETERMINATION OF A QUORUM AS PER MANAGEMENT RULE 57 OF THE SECTIONAL TITLES ACT 8 OF 2011

- Proxies Received for Units – 6; 42; 98; 102; 68; 49; 28; 64; 106; 79.

- Unit - Owners Present and signed 18.

Initially a quorum was not achieved, An opening presentation from Mr. Andre Botes (U.C. Wireless) with regards to an alternative solution to fibre optics for complexes. This would delay the start of the AGM in accordance with the 30 minute delay for more members to arrive.

Mr. Wyss suggested that the AGM continue as the numbers were marginal. This would be noted in the Minutes. If any objections are received then a new AGM would have to be conducted - A majority show of hands agreed to proceed on this basis.

PROOF OF NOTICE OF THE MEETING

As per the requirements the AGM Pack was emailed to all owners and 3 notices had been hand delivered.

APPROVAL OF THE MINUTES OF THE LAST ANNUAL GENERAL MEETING

No questions or queries were raised and the minutes were accepted by the members present.

TRUSTEES REPORT AND DECISIONS

A detailed trustees report had been included with the AGM pack for owners to read. No questions were raised. Mr. Wyss mentioned that he would elaborate on certain issues disclosed within the Trustees report at a later stage.

APPROVAL OF THE SRV (SCHEDULE OF INSURANCE REPLACEMENT VALUES)

DETERMINATION OF THE EXTENT OF INSURANCE COVER

The current broker, B-Sure, that handles the insurance needs of the complex has proved to be very inefficient and unreliable with claims not being handled timeously or accurately. In addition last year's premiums were increased without due notification from either the broker or the underwriter's being

received. This is being taken up with the company at present and will be reported to the Insurance Ombuds, as it is a substantial amount of monies that had been deducted unilaterally or with no permission or consent. Furthermore the flood claims that affect 6 units was badly dealt with, the last claim was settled 9 months later. It has been decided by the trustees to change brokers.

Mr. Wyss introduced Mr. Rian Pienaar from AddSure – an insurance broking company that specializes in the Sectional Title / HOA and property market. They are very active in NAMA's training seminars for Managing Agents throughout South Africa.

Mr. Pienaar explained how the AddSure have been providing specialized service for sectional title/HOA's new complex developments for over 20 years.

One of the new CSOS requirements is that every 3 years the complex has to be evaluated by a registered property valuator to ensure that the property meets up with the Schedule of Replacement Values (SRV) and that this is reflected in the complex insurance policy (Mr. Wyss stated that these values would be stated in the Minutes) they are :-

- The Mirfin property valuation report SRV valued at R 92,360,000;
- Current Policy (OneSure) stated value was R 98,454,136;
- CIA (proposed SRV value) stated value is R 94,055,563.

Once again it was reiterated that if improvements had been carried out in your unit then the insurance value needs to be increased and communicated to the managing agent.

The majority of members present accepted to go ahead with AddSure as the new broker as from the 1st October 2017.

Fidelity insurance is also adequately covered as per the Insurance Policy currently in place. This deals with any untoward fraudulent acts by Trustees/agents and employees.

Mr. Wyss stated as per the CSOS requirements the managing agent has also had to take out fidelity insurance for Greenfields as per the annual financial statements.

APPROVAL OF BUDGETS – RESERVE AND ADMINISTRATIVE FUNDS FOR 2017

A brief explanation was given as to what expenses are recorded in the Administrative budget – essentially all cost related to the day to day running expenses of the complex e.g. Monthly security fee, employee salaries, management fees, Water & Light bill etc.....

Maintenance Plan budget – Should cover next 10 years – the major attention has been focused on the next 3 years – as the estimated costing greatly improved over a short period. The longer stated periods indicate as to when these re-occurring maintenance issues will be carried out.

The stipulated requirements as per CSOS is a 25% minimum reserve of the annual levies collected.

Greenfields had already been doing what new CSOS Act stipulates. Greenfields has been pro-active for the past 3 years in this regard. The Body Corporate finds itself well down the track of maintenance and renovations. After the painting and plastering project due to finish in October – the only large project that remains is Carports that need to be renovated. Our reserve funds meet with the minimum requirements of R 380,000 in our investment accounts.

Administrative Budget

2 Problem areas at this current moment are: –

Ekurhuleni electricity – with the changeover to bulk metering, in December 2016, Ekurhuleni has been undercharging electricity for Greenfields on a monthly basis. As at the 31st June the accrued charges are sitting at R 330,000. This has been taken to the highest authority to sort out but with no outcome as yet.

Unit 36 - (Mr. Joffe) : Requested that The Trustees should send a letter stating that the Body Corporate will not be held responsible for any penalties or interest charges for outstanding amounts at a later date, as we have tried on numerous occasion to resolve this electricity undercharge. This will indemnify the Body Corporate.

Legal Fees due to Defaulting Owner:

There is currently one defaulter as far as levies is concerned. R23 000 outstanding at the end of the financial year (both levies and legal fees combined). As per the National Credit Act one can only charge 24% per annum – This was confirmed with Alan Levy Attorneys. This was accepted by all owners.

All serious defaulter will be treated the same way in that we will hand the account over to Alan Levy Attorneys to follow the process of recovering the outstanding funds for both levies and the legal fees.

Unit 1 – (Mrs. Burini) : Questioned the low figure of R 10,000 budgeted for in the administrative budget. Mr. Wyss reply that the full amount of legal fees will be claimed, however there could be some costs incurred in such a process – hence the limited amount of Legal Costs accounted for.

Comment : Mr. Wyss advised the members that there is an insurance underwriter offering a new addition to their complex policy called “Stylus” – that of any levy defaulter is handed over to the underwriter to recover the outstanding levies. The underwriter proceeds to pay the levy amount each month for the defaulter. Stylus also assumes the responsibility to recover the outstanding debt incurred from the defaulting owner. Once unit is sold – levy clearance amount will be paid over to Stylus – this as a result that one has difficulty in trying to recover the claim legal fees.

Maintenance Budget

We are spreading the load of our maintenance projects and associated costs over years ahead. Our next major project is the carport. After that the whole complex would have been revamped in total. The planned figure for maintenance for 2107/18 is for R 435,000 to cover the projects for this financial year. This has been budgeted into the current administrative budget – hence the 5% increase in the Levies that have been implemented in July 2017.

Current Project (Plastering & Painting):

The plastering work on phase 2 has been substantially more than phase 1 (as per the project cost on Plastering & Painting document provided).

R118 000 is still outstanding to CHS contractor for the final work. Have managed to pay for this project without having to dip into the reserve fund. But it is starting to put a bit of pressure on cash flow as we are wanting to speed things up because of the rain season approaching. Maintenance Budget is currently on a budget overrun due to the huge amount of plastering on phase 2 (largely unaccounted for). In terms of our maintenance budget we could prolong the Carport project over 2 years to ease the cashflow.

The Maintenance Plan is a commitment as far as spend to get the work completed. We are fortunate that over three quarters of all maintenance in the complex has been completed.

Guarantees are in place for the plaster and paintwork with regards to damp.

Carport Project:

Mr Wyss requested if anyone had contacts for Chromodek sheeting as we want to price it against trying to repaint the existing sheeting. The prep work on the existing sheeting is extensive and could be costly – our saving grace is that our ground staff will do this work within the working hours.

The saving on Chromodek sheeting are long term as the carport would not have to be painted for at least 12 to 15 years – Maintenance free on the sheeting.

Future Projects:

Going forward Mr. Parsley said that generally there was no response from owners for other projects in the complex. One of them was the suggested additional carport for all open parking bays – especially that we are prone to hailstorms in this area. He requested feedback from members.

Unit 36 – Mr Joffe (Questioned) the how successful the Sliding Security Gates were :-

Replied that the rollers on the security gate need to be replaced 2 a year due to the number of opening and closing it does per day. This became evident when we picked up some issues on the gate. This pointed out to regular maintenance that needed to be carried out. C-Cam has the responsibility to carry this out going forward.

New Intercom System:

Since the purchase and implementing an android (CAT30) cell phone the system has been working remarkable well. The old “hard wired” system has become redundant and will be removed over time. There is good cost saving as the result of no more repairs to the old intercom scrapping that – the new cell phone cost was R 6,500.00.

All the residents’ numbers have been loaded onto the unit with up to 3 or 4 cell phone numbers stored under each unit number. Security has improved as a result of all our records are up to date and indirectly linked with the Biometric system.

With our owner and tenant records we also meet the requirement of a detailed data base records for CSOS.

Pool & Club House Security:

Mr Parsley explained that the pool and clubhouse security has improved as the result of the camera system that was installed.

Approval for the administrative budget was given with no objections noted.

Approval of the maintenance budget was given with no objections noted.

Levy Increase:

A 5% increase in levies was implemented at the start of the financial year ie. July 2017. This was accepted by all present.

CONSIDERATION OF THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2017

A detailed explanation on some of the financial figures was circulated with the AGM pack. There were no issues raised and the financial were accepted by the majority present. All serious issues such as Ekurhuleni and Plaster & Painting Projects were discussed and noted.

Approval of the Annual Financial Statements 2017 was given with no objections noted.

APPOINTMENT OF AN AUDITOR FOR THE FINANCIAL YEAR-ENDING 30TH JUNE 2017.

Mr. Wyss proposed that the current auditors, Nichabiz in Edenvale, be retained for the 2018 financial year. The policy of rotating the auditor within the group was being applied for good governance.

CONSIDERATION OF DIRECT COMPLEX SERVICES CONTRACT BEING APPROVED

With the new CSOS requirements no managing contract could run open ended on a continuous basis. The contract had to be renew every 3 years. The contract document (is supplied by Alan Levy Attorneys) who present/lecture at the NAMA seminars on a regular basis. This was accepted by the majority present. Trustees to vet the contract and sign on behalf of owners.

DETERMINATION OF THE NUMBER OF TRUSTEES

Currently 3 Trustees at the moment.

This remains an ongoing problem as the existing Trustees have to continue with very little support or back up. There were no nominations received this year.

Mr. S. Ramjoo who served as Trustee – has stepped down.

Mr. Parsley stated that there was too much apathy from the owners. We need more people to get involved – otherwise trustees need to be paid for their services. If you don't want to serve on the board of trustees then there should be a financial implication.

Sadly, every AGM we have the same faces that are present. This concern/message was only being heard by a minority of owners that took the time and interest to see what is happening at Greenfields.

ELECTION OF TRUSTEES

Both Mr. Parsley and Mr. Cole have volunteered to continue.

Ms. Eyres (Unit 18) & Mrs. Groenewald (Unit 28) have volunteered to come on board as Trustees.

The current Trustees would be increased to four (4) for this current financial year.

Mr. Parsley explained the trustees only meet one night a month – Mr. Wyss (DCS) makes sure that the tasks are managed and carried out. Mr. Cole (Trustee) conferred that not a lot of time was needed.

The trustees are a decision-making body. DCS took over the care taking function as well as the Managing Agent function/job.

RESTRICTIONS AND DIRECTIONS PLACED ON THE TRUSTEES

It was agreed by the majority to keep the cap at R30 000, as per previous years.

GENERAL

Fibre Optic Presentation

A presentation was given by Mr. Andre Botes of U.C. Wireless as to the alternative to Fibre Optics. He explained the difference between laying fibre cables and microwave technology. The difference in price is huge and recommends that the microwave technology be used for Greenfields.

The expected cost to each owner will be in the region of R300 for uncapped connectivity and data. This in comparison to approximately R700 charged by other suppliers. The reason that it can be done at such a low rate is that the network is connected to the government's fibre network which is stationed very close to Greenfields.

It would mean a small dish being placed on each block and those owners that want to connect can do so by having a router installed in their unit at a nominal fee.

Mr. Wyss would send out a presentation (via email) to all owners and residents to gauge their willingness to go on to this system.

Proposed Changes to Clubhouse:

Public Toilets :

It was recommended that changes be made to the clubhouse so that residents can still have access to toilets when they are at the swimming pool. A trellis door will be erected to block off the kitchen facilities so that the rest of the clubhouse stays accessible. The cost of this was approximately R 13,500.00 - This was accepted by majority of owners.

Club House Fees (to be Increased):

The standard fee of R 400 with a returned deposit of R 200 would be changed to R 500 with a returned deposit of R 100 ONLY

- Use of the kitchen utensils and crockery would be charged at R 200 with no refund.

The reason for this is that there is very little coming into the Clubhouse coffers from a function as R 100 is given to Thomas – grounds man (who ensures that the clubhouse and function area is clean up after a function). Additional costs of providing clean table cloths and the cleaning detergents for maintain clean toilets needed to be costed in.

Functions & Enclosed Surrounds:

The function area has been limited to less than half the pool area – in order to allow all the other residents who want to make use of the swimming pool (at any time). There are screens that demarcate the hire function enclosure.

Play Ground Netted Sports Enclosure:

It was suggested that a netted enclosure be erected for the children to play various sports. A 12m (length) x 6m (width) x 3m (height) be erected with a 40% shade netting enclosing this structure. In principal there was no objections raised. The cost of this enclosure would be approximately R 17,000. This follows our Jungle gym that was approved over 2 years earlier for R 15,000.

For the sake of transparency, a period of 3 weeks would be open for any objections in this regard be noted – the closing date to the objections would be the 16th October 2017. was recommended. This would be a multi-functional area for the children to play (soccer, netball/basketball, Volley ball action Cricket).

This was welcomed by the owners' present.

Accounting System

Direct Complex Services – Have changed over to a new accounting system. Designed for managing agents and complexes. This system will allow owners to have direct access to their statements as well as update the personal and tenant details (as per CSOS requirements). There has been a problem with e-mails being received by owners. This has been attended to however we needed to open our own email domain. We now have got Outlook as our network provider with new email addresses as follows:

- pierre@directcomplexservices.co.za for all complex related issues;
- sue@directcomplexservices.co.za for account related inquiries;
- info@directcomplexservices.co.za All Statements/Notifications issued from info address.

Unit 36 (Mr. Joffe): requested that the layout of the statement be changed to reflect the unit number clearly Noted - This will be attended to.

INTEREST CHARGES ON OVERDUE LEVY STATEMENTS

With the new CSOS Act all levy in arrears need to be treated equally with interest charges being added to their accounts. Interest rate to be stated and notification letter to be sent out within 14 days of the AGM.

CLOSE OF THE AGM

There being no more matters to discuss the meeting closed at 20h20