MINUTES OF THE DIRECTORS MEETING HELD ON SATURDAY 6th OCTOBER 2018
AT 09h00 ON THE ESTATE

PRESENT: Y Charlotteux        K Watson
         B O’Mahony              M Haken
         T Murphy

APOLOGIES: S Mclean

CONSTITUTION:

In accordance with the Articles of Association a quorum was declared

The chairman welcomed all and declared the meeting open

The minutes of the previous board meeting held on 27th January 2018 were accepted as a true account of proceedings

1. Matters Arising:

1.1 The chair mentioned that he had obtained information relevant to director responsibilities which would be discussed later during the meeting. Mark stated that the board should consider the disclosure requirements of sitting directors as pertaining to the Company Act.

ACTION: The Board

1.2 The chair reported to the board that he had met with the developer (Roy Fury) at Roy’s request to discuss a development proposal for the Estate. During the discussion Roy enquired about the emergency gate that was proposed by the Sun hotel general manager some time ago which was discussed at the recently held AGM. Roy enlightened Terry about the difficulties and obstructions that he was exposed to by the Sun personnel during the early stages of the planning of the Estate. This included an access gate between the properties which was rejected out of hand at the time by the Sun management. A fact is that Roy has family who own stands bordering the hotel boundaries, who may in conjunction with other stand owners object to the gate proposal however the board will continue to investigate the feasibility of the project.

ACTION: The Board

1.3 The primary purpose of the meeting was the proposal that Roy explained was put forward by an agent/developer on behalf of an overseas party to purchase +/- 40 stands on which a hotel/guest facility would be established, including perhaps a restaurant and other amenities. The very first obstacle would be the fact that such a vast number of sequential stands are no longer available for purchase. In fact no more than 7-8 would currently be available.
Terry mentioned that the developer sounds reasonably upbeat with the Estate marketing position with some 6 – 7 new deals in the pipeline.

1.4 The developer stated that he was not interested in discussing a brown water system for the Estate at this stage and questioned what funding strategy the board may propose. It was mentioned that the Association could fund the project one way or another if required, but that it would be a sign of goodwill should the developer be prepared to contribute as there can be no doubt that if such a system were in place it would increase the value and desirability of all the stands, including the remaining unsold units.

The debate then revolved around the funding of the water system and whether the board can legally encumber the Estate assets in order to secure a loan for such a purpose. Another suggestion was raising the funds through other avenues such as a special levy and/or owner connection fees.

It was mentioned by the manager that some owners simply do not care about water usage with some owners using as much as 220 kl (220 000 litres) of water in one month, even though the penalty payment for usage over 70 kl/month has been ongoing for some months now. It was suggested that the penalty for water abuse should be as high as 5 X the normal rate in an attempt to encourage guilty owners to stop and consider the eco aspect of the Estate, if not the fact that water is and will continue to be a precious commodity.

Another suggestion was that should the Estate adopt the harsher penalty system the additional revenue received could be used to add to a brown water fund.

The proposed brown water project could be funded in a number of ways such as the Association approaching a finance house for a medium term (+/- 5 year) loan secured by various assets, raising a special levy or persuading the developer to assist, perhaps even by way of a secured loan.

The brown water supplied to homes will be metered and charged for, albeit at a lower rate than the potable water as currently supplied.

It was decided that the feasibility of introducing a brown water system will be investigated including the calling for an updated quotation and the possibility of an approved loan to cover the costs along with a repayment schedule.

**ACTION: Financial Portfolio + Manager**

1.5 The board instructed the manager to request that resident owners re-assess their water usage in light of the very high volumes that some owners have used over recent months, re-enforcing the eco aspect and to give notice that should the individual stand owner volumes not reduce to more acceptable levels, the price of abuse will be penalised far more heavily than is currently the case.

**ACTION: Manager**

1.6 Terry reported that during his meeting with the developer it was stated that Mbombela appear to have actioned some aspects of the long awaited title deed transfer of common area from the DEVCO to the Association and the manager confirmed that a council representative had visited the Estate recently to confirm what constitutes common areas in the title deeds.

1.7 Miss Dockrat of Du Toit Smuts and Mathews Phosa informed Terry that the board had been acting incorrectly in the past to assume that 3 directors would form a quorum at a follow up AGM, held a week after the original AGM was declared un-constituted, due to the non achievement of a quorum.
The manager presented a copy of the original Articles of Association (compiled by Miss Dockrat) to Terry in which it states that what the board had been doing was indeed correct as per the Articles. Terry will discuss the matter with Miss Dockrat.

**ACTION:** Terry

1.8 The emergency gate between the Estate and the Sun hotel was once again debated and it was reiterated that members who owned stands in the vicinity would have to be approached for their approval prior to any project go ahead. The security ramifications will also have to be carefully considered. Mark will liaise with the hotel management.

**ACTION:** Mark + Sun Management

1.9 It was confirmed by the board that only listed, approved contractors may be utilised for home building operations within the Estate and that the owners must present either a financial institution building loan approval or present the building portfolio/management with proof of the total quoted cost of build, having been placed in an escrow account for the sole benefit of build to completion.

1.10 The manager confirmed that eventually the eyesore that is # 6 (Human) has been sold and the continuation of building will begin once the transfer of ownership has taken place.

2. It was stated that the Human debt has been paid in totality and # 216 Mkhathwhe has been sold on auction, meaning the debt should be paid within the next few weeks prior to transfer.

2.1 The chair suggested that the Halton debt (R79 729) be written off as they are Irish citizens and their domicilium is listed as Ireland, making any attorney/court action a very expensive exercise. The stand is bonded to Standard bank so some hope is that the bank may decide to auction the property and if so the Association debt or part thereof may be settled.

3. The income statement to date was presented and discussed with the manager confirming that the savings was held in a separate interest bearing account with Nedbank. It was noted that the savings is currently at R1.351m of which R65k is made up of building contractor deposits.

4. The board decided that although the bank has 2 signatories recorded on the Association account being Kathy Watson and the manager it would be prudent to have a loader and a releaser on the E – banking system which is currently not the case. For convenience at least two releasers independent of each other can be nominated. The manager will contact the bank for an appointment to arrange that this system be implemented.

**ACTION:** Manager

5. The duties and liabilities of directors were discussed. Terry had a copy of the laws pertaining to the duty of directors which the manager will copy and mail to the directors for their information. It was mentioned that the general ownership should be aware of the enormity of the responsibilities that comes with being a director of a company, non – profit or otherwise.

**ACTION:** Manager

6. Terry enlightened the board as to a meeting with an owner who nominated a relation to the board via a proxy vote at the last AGM which did not take place at the time. As a result the owner nominated herself to the board at a later date. At a meeting between Terry, Mark and the owner it was suggested that over time a number of Estate rules had been breached which would preclude
appointment to the board at this stage, as of course any board director acting on behalf of members would have to be in good standing and beyond reproach. Originally it was stated that should the board wish to import a specialised skill to the board then a non-owner may be appointed to the board for their accounting and/or perhaps any other required skill. This scenario has not to date been a requirement. The board voted unanimously that a non owner may not be appointed to the board of directors and that should a specialised skill be required then the board will hire and pay the necessary skilled person for the period required to complete the assignment.

Terry agreed to discuss the required issues for change to the MOI with Miss Dockrat being a) only members of good standing to be appointed to the board, b) a 25% quorum requirement at meetings and c) only 3 members to constitute a quorum at a follow up AGM.

**ACTION: Terry**

7. The manager undertook to revisit the firefighting procedures and to supply all new owners with the pamphlet of what procedures to follow if a fire should occur. The manager confirmed that the fire hydrants are serviced and pressure tested by a professional company at the required intervals. At the next service visit small hand held 5kg dry powder extinguishers can be fitted at each sewage pump station to protect the generators.

**ACTION: Manager**

8. Mark enlightened the board about the options available for refuse recycling should the Estate decide to implement this system. As an Eco Estate the responsible way forward is to put the infrastructure in place to accommodate this facility. Mark mentioned that a local company (Greens) would supply the bins at +/- R25k each, of which perhaps two would be required. Greens would then collect the recycled refuse on an as and when basis and even pay per weight/type collected. Owners would take the recycled waste to the bins provided (probably near the entrance gates) but the other “wet” household waste would continue to be collected each Thursday as is currently the case. The manager will arrange for a concrete base to be put in place to accommodate the bins.

**ACTION: Lynn Haken + Manager**

9. The board confirmed that purpose built guesthouses will not be allowed in the Estate but it would be very difficult to oppose short or long term letting. The standard behavioural rules of the Estate would always apply to the guests and their landlords, being the responsible registered property owners.

10. The incident with the quad bikes and golf cart being irresponsibly driven by youngsters on the Estate roads during the school holidays was explained to the board by Yvon and the manager. The situation was addressed with the boys at the time and no further action was taken other than the father enquiring from the manager as to what happened, because the youngster had obviously prepped his father beforehand. The ban on quad bikes in the Estate remains in place.

10.1 It was stated that the Estate roads are subject to the municipal by-laws and as such any motorised vehicle must be in the control of a licenced driver, including golf carts.

11. It was decided that a notice period of one year be given to the owner of the structure on stand #158 for the demolishment of the building as it does not conform to the architectural guidelines. At the same time the Estate manager’s residence will be upgraded and the garages along with other non-conformance structures will be demolished.
The owner of # 158 will be responsible to inform any rental occupier of this intent.

**ACTION:** Manager

12. The Aida estate agent principle e-mailed a request asking whether they can relocate their signage to a more visible point at the Estate entrance because the gardens have now matured to the point of hiding the signs from view. They also undertook to “refresh” the sign. The board unanimously decided that both large estate agent signs must be removed and no signage other than the smaller Spesplan security sign would be allowed. The directors felt that both agencies can request the gate monitor on duty to hand out their respective pamphlets to interested parties.

13. The board instructed the manager to have the ceiling in the Estate office repaired.

**ACTION:** Manager

14. The cost of travel to and from board meetings will be invoiced by the directors at the full cost of travel in future with the submission of a cost sheet to the manager.

**ACTION:** Directors

It was decided that the next board meeting will take place during the latter part of January ’19 the date to be confirmed.

There being no further business at hand the chairman declared the meeting closed.