

# CROYDON

*Vineyard Estate*

## MINUTES OF THE RE-RUN ANNUAL GENERAL MEETING OF CROYDON VINEYARD ESTATE HOMEOWNERS ASSOCIATION, HELD AT CROYDON VINEYARD ESTATE, ON THURSDAY, 10<sup>TH</sup> JANUARY 2019 @ 18H00

<b>MEMBERS PRESENT:</b>	In Person	84
	By Proxy	25
	<b>Total:</b>	<b>109</b>
	Persons entitled to vote	173

### THE MEETING COMMENCED AT 18H23

#### 1. WELCOME

The Chairperson, Elaine Harris welcomed the members present and explained the proceedings.

#### 2. APOLOGIES

Chris Graham

#### 3. CONTEXT WHY THE AGM IS BEING RE-RUN

To begin, Arnold Bell requested the concerned Homeowners who sent out an unsolicited letter to the Homeowners and who are involved in the arbitration dispute to identify themselves. The following members identified themselves Casper Steenkamp; Jochen Volkell and Luigi Petra.

Arnold Bell explained in terms of a recent dispute the legality of the A.G.M. held on the 19<sup>th</sup> May 2018 was questioned due to the fact that it commenced 10 minutes late due to the fact there was not a quorum at the time. The Chairperson asked to delay the meeting until a quorum was achieved.

In terms of the Constitution, clause 28.7 and the first legal opinion obtained, the meeting was valid but a subsequent legal opinion indicated otherwise and therefore, for the sake of good order the Trustees agreed to re-run the A.G.M.

#### 4. MANDATE AND ROLE OF TRUSTEES ACCORDING TO THE CONSTITUTION

Arnold Bell highlighted and detailed the various clauses in the Constitution which relates to the functions and powers of the Trustees.

The specific clauses referred to:

- Clause 8 – Levies
- Clause 17 – Management & Trustees
- Clause 19 – Functions & Powers of the Trustees

**5. APPROVAL OF THE CORRECTION OF MINUTES OF THE S.G.M. HELD ON THE 4<sup>TH</sup> MARCH 2018**

Resolution 2 referred to “the development of an integrated landscaping plan to be implemented over the next three years”.

The correction to be approved “the implementation of an integrated landscaping plan to be implemented over the next three years”.

PROPOSED: Leo Bender

SECONDED: Jannie Marais

**6. APPROVAL OF MINUTES OF THE S.G.M. HELD ON THE 24<sup>TH</sup> FEBRUARY 2018.**

PROPOSED: Chris Godenir

SECONDED: Narda McIlMurray

**7. ANNUAL REPORT**

The following objectives were highlighted in terms of the 2017/2018 Annual Report:

- Establish sound staff management practices for future development and growth
- Build homeowner relationships to promote healthy relationships and good communication between homeowners and the H.O.A.
- Implement the integrated landscaping plan zones identified for 2017/2018
- Establish the 10 year annual maintenance plan and budget for the Estate
- Reduce the percentage of levies outstanding and implement and further enhance the financial and procurement procedures
- Monitor the implementation of the 2016 security plan and further enhance the security of the Estate
- Monitor adherence and compliance to architectural guidelines
- Promote and upgrade the lifestyle facility and services
- Comply with good governance practices
- Promote a good working relationship with WineCo
- Establish good working relationships with local communities

Progress update:

- Glovent member software application installation completed
- Estate fibre rollout completed with 49% of homes connected to the network by December 2018

- Three landscaping staff members have been identified as supervisors and one lifestyle staff member as a lifestyle specialist. Development plans are being put into place to develop these staff members.
- Landscaping zones completed: A; B; C; D and E
- Lifestyle centre building repainted
- Children's play area enhanced
- Gym project successfully completed
- CSOS disputes – H.O.A. vs Homeowner ruled in favour of the H.O.A.
  - Verge walkway to be implemented
  - Wooden pole fence removal
  - Pergola to be installed
- Buckets of wishes 2018 campaign generated R32 214-00 from 57 residents
- Concerned members dispute submitted for arbitration and resolved
- Legal costs for dealing with disputes to date R11 839-00

## 8. SPECIAL PROJECTS

### a) Special Resolution No. 1 : Generator / Solar Backup at Guardhouse

Electrical supply from Eskom has been intermittent which leaves the security equipment and guardhouse without power for extended periods of time.

The generator will enable the security procedures and equipment to continue operating as normal for the protection of all residents.

FOR:	101
AGAINST:	4
SPOILED:	1

### b) Special Resolution No. 2 : WineCo Cement Egg and New Barrels

Withdrawn

## 9. H.O.A. BUDGET FOR 2018/2019 (Levy for 2018/2019)

The budget was circulated to Homeowners together with the notification of the A.G.M. on the 26<sup>th</sup> April 2018 and 19<sup>th</sup> December 2018.

Budget implemented in June 2018

The levy increase percentage: 4.2

The levy increase Rand value: R105-00

The levy therefore increased to R2 620-00

The current financial committee is reviewing the overall H.O.A / WineCo structure and rules which will be presented at the A.G.M in May 2019.

## 10. ADDENDUM TO ARCHITECTURAL DESIGN GUIDELINES

The addendum to the architectural design guidelines was circulated to Homeowners together with the notification of the A.G.M on the 26th April 2018 and 19<sup>th</sup> December 2018.

The following clauses of the Constitution were highlighted:

Clause 19.6 of the Constitution states the Trustees shall further have the power to:

Clause 19.6.2 issue architectural and landscape design manuals, environmental management plans and contracts or instructions in respect of the Estate, and to ensure that these documents and instructions are complied with at all times.

2019 Update: Clause 15.6.3 to be replaced with the following:

The design of the tank and its placement must be indicated on all new building plan submissions and if fitted must be approved by the H.O.A. before installation. All water tank applications must have a sketch plan submitted to and be approved by the H.O.A.

## 11. GENERAL

### Signing of the Annual Financial Statements 2017/2018.

#### a) WineCo versus HOA

- WineCo made a loss and HOA made a profit. The allocation discount was reversed to ensure a tax benefit for both WineCo and HOA
- WineCo is a sustainable company to assist in reducing the levies for Homeowners
- Mark Nicholson questioned if WineCo made a profit, why are they loaning money to the value of R200 000-00?

Ernst Jordaan(Auditor) responded:

- Stock increased
- Assets were purchased
- Returns received only when WineCo sells the wine. Portion of the loan funded from the Reserve Fund.

#### b) Auditors for the financial year and Constitutional financial requirements

- Re-appoint the current auditors, Exceed. Satisfied with their performance and they were only R205-00 over budget. Auditors fee to be fixed.
- The balance sheet and income statement of the Association were considered. The approval of the Auditors Report were considered.

PROPOSED: Lynn Watson

SECONDED: Helen Krouse

#### c) Arbitration (Arnold Bell)

- Legality of May 2018 A.G.M

1. The Trustees agreed to re-run the A.G.M prior to the commencement of the arbitration and even prior to the signing of the proposed arbitration agreement in terms of good governance.
  2. "Expenditure on upgrades and of capital nature require member's approval". Legal opinion obtained from Adv. Andre Heunis, "this point is couched in such general terms that it does not constitute a dispute for purposes of Section 34(1) of the Constitution". It would have therefore been reckless for the Trustees to sign an Arbitration Agreement when point 1 of the dispute had been agreed to, therefore no longer relevant and point 2 is unclear.
- Reserve fund expenditure:
    - Integrated landscape plan  
*Refer to presentation*
    - Gym  
*Refer to presentation*
  - Despite the aspersions being levelled at the Trustees by certain Homeowners in dispute regarding the need to understand the rules of the Constitution, not one of these Homeowners present objected to the A.G.M meeting continuing (refer the legal opinion from Adv. Barnard.)
  - Sequence of events relative to the Arbitration:
    - 19/05/2018 A.G.M.
    - 12/06/2018 Email from Casper Steenkamp expressing objections to the A.G.M.
    - 16/08/2018 Order placed for gym equipment after Trustee Committee approval
    - 14/10/2018 Trustees advised by "Homeowners in dispute" about taking their dispute to CSOS
    - 09/11/2018 Trustees advised by "Homeowners in dispute" about taking their dispute to Arbitration
    - The Trustees consulted with Adv. Heunis not to stop the arbitration but to assist them prepare for the arbitration. Imagine the Trustees shock when Adv. Heunis advised us we were going nowhere as the A.G.M. was in fact unconstitutional. The Trustees then decided they could not sign the arbitration agreement committing the Homeowners to additional costs.
    - 29/11/2018 Email from Tertius Maree enclosing the Arbitration Agreement and stating the Trustees must peruse and consider thoroughly and if satisfied, complete, date, sign and return to all parties by 4/12/2018.

**d) Questions**

Trustees and Management were assured of the support of the majority of Homeowners who attended the A.G.M

Matters discussed were all dealt with as per the conditions set out in the Constitution, specifically to Clause 28.7.

## 12. ELECTION OF TRUSTEES

The following Home Owners were nominated and proposed as 2018/2019 Trustees after Casper Steenkamp and David Bullard were withdrawn due to the fact that they are not registered Homeowners which is a Constitutional requirement.

Specific reference is made to Clause 6.1; 6.1.1; 6.1.2 and 17.2 of the Constitution.

Willie Bronkhorst (one of the Developers back in 2005) stated that no motion needs to be seconded as it is a Constitutional requirement.

The nominated Trustees introduced themselves and gave members a brief synopsis of their background.

Luigi Petra however, prior to introducing himself, made a statement relative to the fact that he is one of the "concerned Homeowners" involved in the arbitration. Luigi did not object to the gym as such, his objection related to the process followed in terms of quotes, contracts and quality assurance relative to the Landscaping and Gym project.

Maximum of 7 and a minimum of 5 Trustees as per the 2014 amended Constitution to be elected.

The nominated Trustee votes were as follows:

- Arnold Bell 96
- Chris Graham 88
- Gert Nagel 43
- Grant Hatch 88
- Leo Bender 84
- Luigi Petra 44
- Rob Watson 93
- Rodney Maharage 64

Congratulations to Arnold, Rob, Chris, Grant, Leo, Rodney and Luigi who have been appointed as Trustees.

## 13. CLOSURE

The Chairperson thanked all the Homeowners who attended and those that submitted proxies, together with the Trustees and H.O.A. Management for all their hard work the last 6 months.

The A.G.M. closed at 20h20.