

MINUTES FOR ANNUAL GENERAL MEETING BODY CORPORATE**(as prescribed by section 17(6) of the prescribed Management Rules)**

NAME OF SCHEME:	UTOPIA NATURE ESTATE BODY CORPORATE
SS NUMBER / YEAR:	SS 879/2003
DATE:	22 JANUARY 2022
TIME:	9:00
VENUE:	UTOPIA HALL & ZOOM

1. Opening and welcome

- Karl welcomed everyone to the meeting present in the hall and via zoom.

2. Attendance

- Units present physical, zoom and via proxy:
1, 2, 7, 8, 10, 11, 13, 14, 15, 17, 18, 19, 20, 21, 22, 24, 25, 26, 28, 29, 31, 32, 33, 34, 36, 41, 44, 45, 47, 48, 49, 50, 51, 52, 54, 55, 57, 59, 60, 61, 62, 63, 64, 66, 68, 69, 70, 73, 75, 76, 77, 78, 79, 80, 81, 83, 84, 85, 86, 88, 89, 90, 91, 92, 93, 96, 97, 99, 101, 104, 105, 106, 107, 109, 110, 112, 113, 124, 126, 168, 172, 173, 174, 182, 187, 192

3. Confirmation of proxies, nominees and other persons representing members and issuing of voting cards.

- Proxies

<u>Unit giving Proxy</u>	<u>Receiving Proxy</u>
7	Stanley Powell
17	George Ferns
18	Wayne Keet
48	Michael Clayton
49	Karl Lawrenz
59	George Ferns
60	Rob Weiss
63	Stanley Powell
68	Andrew Nel
70	Wayne Keet
84	Adonis Vlachopoulos
85	Adonis Vlachopoulos

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90	Willem Enslin
92	Garelda Kruger
93	Garelda Kruger
97	Jo van der Molen
113	Peter Lazarus
168	Anthony Rosmarin

- Nominations
 - Andrew Nel
 - Anthony Rosmarin
 - Anton Meyer
 - George Ferns
 - Heinz Meyer
 - Henning Lombaard
 - Johan Siemens
 - Justin Nettman
 - Karl Lawrenz
 - Peter Lazarus
 - Stanley Powell
 - Wilfred Wank
 - Willem Enslin
 - Voting cards
 - Voting key pads were handed out to each owner and proxy present for the electronic voting. Members on Zoom had to register their email address beforehand and they received a link for the remote voting.
- 4. Determination whether there is a quorum.**
- A Quorum of 72% was achieved.
- 5. Election of person to chair the meeting, if necessary.**
- Karl Lawrenz was elected to chair the meeting.
- 6. Presentation of proof of notice of the meeting or waivers of notice.**
- Members confirmed receipt of the notice for the meeting and the meeting was deemed to be valid.
- 7. Approval of the agenda.**
- Agenda was approved by members
- 8. Approval of minutes from the previous general meeting**
- Prior to the approval of minutes, Mr Lawrenz requested that Mr Adrian Prangle from the

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electronic voting provider (Optivote) explain how the voting system works.

- Mr George Ferns and Mr Johan Siemens requested an opportunity to raise a number of points before the vote was taken to approve of the previous AGM minutes. Mr Ferns noted that he had a recording from Mrs Christa Ferns and hence his concerns. He noted that he would not vote to approve the previous minutes as a result of these concerns.
- Mr Anthony Rosmarin noted that he too had had concerns about the accuracy of the previous minutes drafted and as such, had requested this recording from both the managing agents as well as from Mrs Ferns, but that neither were forthcoming. He did however note that he managed to obtain a recording from one of the attendees of the previous AGM and that the minutes sent out and now tabled for approval were based on this recording. He also added that the recording was 5.5 hours and he sat through the full recording himself to make sure the minutes were accurate. Mr Rosmarin acknowledged that the length of the recording may have resulted in points missed, but that the view of the Trustees is that the minutes published and circulated were materially or sufficiently correct.
- Mr Siemens challenged the comments from the Trustees that the minutes were sufficiently correct, noting that sufficiently correct is not necessarily a true reflection of the events. He contended that things were changed or recorded incorrectly and stated that he also would not accept the minutes tabled.
- Mr Phil Ridgwell suggested we listen to the concerns and then simply vote on the minutes. Mr Rosmarin concurred that we listen to Mr Ferns' and Mr Siemens' concerns and then vote on the approval of the previous minutes, as tabled.
- Mr Siemens then suggested we jump to Matters Arising, present to concerns and then move forward. Mr Lazarus noted that these were 2 different matters, and that we deal with the issues under approval of the minutes and vote on this.

Mr Ferns and Mr Siemens were then invited to raise their concerns regarding the accuracy of the previous minutes. These concerns are detailed below:

- Mr Siemens noted that the previous board cancelled the Zoom facility prior to the meeting due to the cost of R11,000.00, noting that only 15 members wanted to participate via Zoom. Mrs Fiona Ridgwell noted that there were only 3 people registered for the Zoom meeting. The Trustees agreed to allow virtual participation but that they would not pay for it. It was noted that Mr Lawrenz, Mrs Ridgwell and Ms Prianka Jackson assisted in making this possible. Mr Ferns noted that Mr Adonis Vlachopoulos sent a letter to the managing agent offering to pay for the Zoom and electronic voting facility. This was duly noted. Utopia ended up paying the cost and Mr Ferns called on Mr Vlachopoulos to pay this back as agreed. Mr Vlachopoulos agreed to do so.
- 3.2 Add "The chairman confirmed that a vote from the body corporate and the board of Trustees is required to make a decision if another platform will be made available for future meetings." Quorum of 66.54 was reached and the attendees were given the opportunity to vote if the meeting should continue, with the participation of the zoom participants. 44 voted in favour, 33 voted against the motion and the meeting continued.
- 6.14 Mr Danie Brink noted reference to the fact that owners have the units individually evaluated – but that this needs to be deleted as it was not said.
- 6.15 becomes 6.14 and 6.15 becomes "Mr Brits confirmed that Utopia has fidelity cover of

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R3 000 000 and that the new board should review this as it changes according to the reserve fund balance, which changes annually". Mr Rosmarin noted that this was covered in point 6.9

- 6.16 All Utopia assets were valued and the insured values were distributed, discussed and accepted
- 7.1 Fund incorrectly spelt "fine"
- 8.1 Mr Brink noted that the financial statements were distributed to all members and that they were signed off. The auditors, Strydom Venter, prepared the financials for 2019/20. The audit was qualified due to EMP501 not being completed and this was accepted by the Body Corporate. Mr Rosmarin noted that this was recorded in point 10.6.
- 15.1 In terms of the 10 year maintenance plan, a discussion ensued as to whether the 10 year plan was actually voted on or not. The new board will check if this is correctly recorded in the minutes.
- 15.4. The current spending limit of R50 000.00 as reflected in the minutes was questioned, stating that this was only for emergency spend. This was disputed by the Trustees, indicating that the discretionary spending limit of R50,000.00 was not restricted to emergencies.
- 15.7.4 It was noted by Mr Ferns and Mr Siemens that the Board of Trustees were instructed to obtain quotations for a forensic audit of the financial management of Utopia since the start of the sectional scheme. The quotes were to be presented to the Body Corporate at an AGM or SGM or by round robin. A unanimous decision would be needed for round robin. Mr Ferns then questioned the change from "audit" to "investigation" as well as the R48,700.00 expenditure. According to Mr Ferns, the Trustees did not have the requisite permission or mandate to do this.
- 15.7.5 It was noted that what is recorded in the minutes was never said and should change to the Trustees need to investigate the expenditure on the big swimming pool repairs due to major loss of water and structural damage And investigate if this was approved by the previous board and minuted.
- Mr Rosmarin questioned Mr Ferns and Mr Siemens as to whether or not he was suggesting that point 15.8 relating to the limitation on spending without the need to seek members approval did not happen, noting that there was in fact a vote of 59 in favour of the limitation remaining at R50 000. Mr Siemens contended that this was for emergencies only. Mr Rosmarin pointed out that this is a very important point, as there was an accusation that the Trustees overspent on the forensic investigation without the mandate of members. Mr Rosmarin concluded that, if in fact the vote to retain the R50,000.00 spend limit did take place, then the accusation is nullified.
- Mr Siemens reiterated that the board was not mandated to commission the report and spend the money. Mr Rosmarin argued that the intent of the investigation was to evaluate elements of alleged irregular expenditure by the previous board. He noted that it was not a Trustee decision to do the audit/investigation, but it was an instruction by the Body Corporate. He noted that it was a very difficult and unpleasant process and the Trustees had done a lot of work to make it happen. He further noted that a full audit as described by Mr Siemens and Mr Ferns would have cost millions. Trustees. According to Mr Rosmarin, the mandate from the members was fulfilled in the correct manner. Mr Siemens repeated the view that the intent was to obtain quotes for a forensic audit from the start

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of the scheme. Mr Lazarus noted that the call for an audit emanated from Mr Siphos Singiswa's comments from the AGM 2020.

- Mr Lawrenz went on to elaborate that the source of the investigation was as a result of the alleged irregular expenditure by the prevailing board of 2019/2020 and that there would be no benefit looking back to the start of the scheme. He mentioned that a full audit would be extremely costly and that the cost would outweigh the benefit. Mr Lawrenz suggested that the issues raised continue to be discussed under the specific section of the meeting on the investigation.
- Mr Siemens believed the whole investigation could have been done via CSOS for R50 and not R48 700.00. He further argued again that the process undertaken was not within the mandate of the Body Corporate. Mr Lawrenz continued to explain the process undertaken by the Trustees, noting that this was an initial process undertaken within the mandate and discretion of the board to be presented to members and that the Body Corporate should then decide on a way forward, including a fuller focused forensic investigation if this was deemed appropriate.
- A member from the floor asked for more clarity on the issue. Mr Lawrenz suggested we continue with the meeting and return to the investigation later as provided for in the agenda. A comment came from the floor regarding whether the actions were in accordance with the mandate or an interpretation of the board of Trustees, noting that procedures should be in place to ensure correct mandates are understood and undertaken.
- Mr Brink suggested that the recording be shared with owners and that adjustments are made and a round robin vote be held. It was suggested that the recording be sent to someone impartial and that it be recorded verbatim and circulated for voting.
- Mr Lazarus noted that while Mr Brink's idea was probably a good one, the problem with this would be to delay decision making. He suggested that if enough people vote for the approval of the minutes, then we move forward and accept the minutes. Mr Brink confirmed that this was procedurally correct. Mr Lawrenz suggested that this be done, with the inclusion of the corrections noted by Mr Ferns and Mr Siemens.
- Mr Ferns agreed with Mr Brink's idea. Mr Lawrenz noted problems with this and suggested that we focus on the materiality of the minutes, with the inclusion of the changes suggested once verified.
- Mr Singiswa noted that it is not unusual for a board to use its discretion in the best interest of the Body Corporate and that this was the case in this instance. He noted that this was not a willful diversion to harm or do a disservice to the owners. He also noted that if we go the route of circulating the minutes, that this would impact the continuation of the meeting.
- Mr Ridgwell suggested that the vote need to take place and if majority approve then it is accepted as is, if not approved then it will need to be reviewed. Mr Lawrenz confirmed with Mr Brink that this is procedurally correct.
- Mr Adrian Prangley explained the voting procedure and that his colleague Luke is in Cape Town and handling the remote zoom voting.
- Mr Ferns noted that he would agree to a vote with the changes they requested.
- Mr Rosmarin, however, pointed out that you cannot meaningfully vote on minutes to be

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changed or amended in the future and that the vote needs to be on the minutes as presented.

- A member of the Body Corporate noted that whilst discretion can be used by the Trustees, it must be guided.
- Mr Siemens noted that the vote would be on minutes that in his opinion are incorrect.
- Mr Lawrenz proposed that the meeting proceeds with the voting and noted that if the minutes were not approved that we would need to go back and find a way to correct them and have them approved at a later date.

The meeting went on to vote for approval of the previous AGM minutes. Minutes were approved by 58.02% and were thereby accepted by the members as presented

9. Approval of the annual financial statements for year end 30 June 2020.

- It was noted that the date on the meeting agenda was incorrect, should be 2021 and not 2020
- Two key points were noted relating to the reason for obtaining a qualified audit:
 - A R37,000.00 discrepancy with the salaries and bonuses, which Andrew Nel managed to resolve with the auditors
 - Ongoing EMP501 issues that need to be resolved with SARS. The board is working to resolve issues around the Public Officer (Andrew Nel) and associated SARS login details as the profile is locked with access still held in the name of a previous public officer (NA Coetzee) who left the employ of Utopia many years back. It was noted that the board is working to resolve this but access to SARS offices remains an ongoing challenge under COVID. setup the portfolio and no response from her.
 - Mrs Fiona Ridgwell questioned an amount of nearly R85,000.00 paid out as bonuses that did not go through payroll? Mr Nel explained that it was shown separately but that it was included in payroll calculations by Quarto.
- Mr Ferns raised the point that the financial audit report was not provided within 4 months of the annual financial statements as required. There was a directive from the floor to get the audited financial statements concluded and signed off within 4 months from the financial year end – Mr Lawrenz concurred and stated that this would need to be a directive for the new board.
- Mr Rosmarin questioned why the EMP501's were outstanding and why they have not been done. Quarto explained that this was due to the profile being locked on SARS making it impossible to load payments. Mr Nel noted that now that he is the public officer, he is trying to sort it out.
- Mr Nel noted that the "black book" with all the Utopia information and codes has gone missing, which has prevented the SARS profile form being accessed as the "pass-phrase" was held in this book.
- Mr George Ferns asked to refer to page 17 of the financial statements. He noted mention of certain stands in the statement that have a very low value. He asked why they are so low, who the registered owners are and if the owners are paying levies. Mr Rosmarin

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explained the history of the Share Block scheme and the change to Sectional title, wherein possible future developments were registered and certain dormant stands were included in the Sectional Scheme. He noted that while these were on the Scheme, they were effectively common property and were assigned a nominal value as valued by the auditors.

- A question was again raised about the maintenance vehicle that is not registered in Utopia's name and that needs to be transferred to Utopia's name as it is now fully paid off. Mr Willem Enslin noted that he financed the vehicle through his company to offer the benefit of better credit and insurance to Utopia. Transparent back-to-back agreements were put in place to transfer associated use of the vehicle and costs to Utopia. The transfer of the vehicle ownership and insurance will be addressed by the incoming board.
- Mr Enslin further noted that someone would need to be registered as the proxy for all Utopia vehicles in order for these transfers to happen. This is a critical step in the process of transferring vehicles.
- Mr Ferns questioned how the vehicle is insured. Mr Enslin confirmed that the vehicle is insured under his company. As soon as it is transferred, it will be change to Utopia insurance.
- Mr Ferns further raised that he noted the bakkie was damaged. Mr Lawrenz noted that the Trustees are aware of this and that it forms part of ongoing repairs.
- Concern was raised by Mr Ferns around the reasons for the change back to Otto Krause Attorneys (OKA), noting a mandate in 2019 to move away from OKA. Andrew Nel responded that the mandate related only to the legal cases and not the trust monies in the share block. The legal cases were moved to OCS. The trust monies were moved to OCS and then moved back to OKA. Mr Ferns questioned this. Mr Nel noted that this related to the Share Block Scheme and not the Sectional Scheme. Mrs Ridgwell explained the reason for this is that to date we do not have an answer from Quarto as to under whose instruction and with what authority Renee from Quarto signed for insurance monies to be paid out the owner of Unit 58. An amount of nearly R370 000 due to be spent on the rebuilding of the unit. The owner has now disappeared. This is an illegal act and warranted the moving of funds back to OKA to secure them. (
- Mr Singiswa questioned the damage to one of the bakkies. Mr Enslin confirmed that Mr Wayne Keet had an accident in the bakkie and that it was being attended to.
- Mr Ferns contended that if the Body Corporate vote for the financials, it would, in effect, be voting that Mr Vlachopoulos doesn't have to pay the money back. Mr Rosmarin argued that this was noted previously and that it has no bearing on the vote.
- It was raised that the vote is if you agree that the financials are a true reflection of the financials of Utopia.
- During the vote, Mr Vlachopoulos confirmed that he would immediately EFT the money to Utopia, which was duly undertaken by him.

The meeting voted and the financials were accepted by 85% of members

10. Chairperson report

- Mr Lawrenz noted that while it is an honour and a privilege to serve on the board, it is a massive and time-consuming undertaking. He asked that anyone serving on the board work towards building cohesion and building a better Utopia.

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- Mr Lawrenz went through his report and highlighted key elements of importance. He welcomed questions and suggestions from the floor.
- Main points were highlighted before going into details per portfolio area.
- Key Issues documented by Mr Lawrenz and portfolio managers:

a. Management Team

- Karl Lawrenz As Chair for The Year 2021.
- Peter Lazarus- Legal and Environmental and security
- Anthony Rosmarin – Human Resources, building and communications
- Andrew Nel – Finance
- Heinz Meyer - Admin
- Willem Enslin - Infrastructure and Operations
- Building subcommittee established. Anthony Chair with Fiona and Willem as part of the committee.
- It was noted that Jo resigned and the Board elected not to bring someone on. It was acknowledged that the next board will need to improve communications and marketing.

b. Financials

- Financials signed off and Utopia is in a good position.
- Covid challenges were experienced but still the board still undertook various projects.
- Significant cash reserves in the bank. Additional reserves of R1.2m were held in the bank which could be targeted for specific Projects.
- Maintenance and Repairs Reserve Fund is held above the statutory 25% of annual levies and is sitting at 29%.
- There are a number of Capital Projects proposed to be undertaken, as detailed later in the AGM agenda. These can be undertaken without drawing from the Maintenance and Repairs Reserve Fund so this does not go below the required 25% and therefore does not require any increase in levies. Once presented, the Body Corporate would be invited vote to go ahead or not on each proposed project.
- Levies and Arrears: the following key points were noted
 - Improvement in arrear levies from R4.7m to R3.5m from June 2020 to Dec 2021.
 - Previous Board was acknowledged as having begun the improvement on arrears.
 - Since new Board there has been a 16% decrease in levies in arrears.
 - Most of the remaining arrears are long standing (60 days or more).
 - Recovery of long standing arrears remains an ongoing process with a marked improvement started by previous board and continued by new board.
- A Question was raised and Board needs to give feedback. Question: What % of the

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planned budget planned was spent? And how much of budget spend (%) on the 10-year plan. What was ear marked for last year and what was spent?

- It was noted by Mr Ferns that Utopia has money and we must spend it with a direct purpose.
- Mr Enslin noted that he would elaborate on what was done with regards maintenance and capital projects.
- Mr Singiswa thanked the board for savings, however is equally concerned and that the Management Team were not clear on what was spent on maintenance and repairs.
- A question was raised regarding the R35,000.00 paid to the Management Company and Estate Manager to run day to day operations. Mr Andrew Nel indicated that this is all reflected in the financial statements.
- It was noted by Mr Lawrenz that everything that needed to be done, including some urgent repairs, were prudently undertaken. He confirmed that no projects were done without prior Board approval.
- This was reiterated by Mr Willem Enslin. Mr Ferns asked if everything on the maintenance plan was undertaken. Mr Enslin confirmed that it was.
- Mr Lawrenz stated that there are a number of specific projects that the Board would like to undertake, but that these would be presented to the Body Corporate for approval prior to going ahead.
- The discussion reverted back to the finances.
- It was noted that R228 566 sat in reserve as provision for a legal case against Mr Wainstein. It was noted that Mr Wainstein launched the High Court application, not Utopia and we thus needed to provide for this. Mrs Ridgwell added that the amount owing is in excess of R 1m.
- Mr Lawrenz noted that we need to spend money wisely to keep levies down as far as possible whilst improving Utopia.
- Mr Ferns noted that 2 years ago he stated that we have money and we need to see our money working for us.
- Mr Ferns queried why the 10 year plan changed again. Mrs Ridgwell pointed out that the plan will change in accordance with needs.
- Mr Siemens queried how a board can suggest projects during their tenure? Mr Rosmarin responded that a Board can suggest projects at any time and that it is respectful to the Body Corporate to do so and seek approval prior to going ahead.
- He further explained the 10-year Maintenance plan is set up as a requirement by Sectional Title Act to maintain and protect the asset, set up by a professional company. Separate to operational budget for running of the scheme.
- The nature of the 10-year plan was expanded upon by a member of the Body Corporate, noting examples of what would form part of the plan. He further noted that this would be different to upgrades or special projects which once done, would form part of the 10 year plan.

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- Mr Greg Brits was invited to explain the insurance cover for voting and signing off
- It was noted that the Board undertook a complete audit of the insurance schedule
 - This included common property and individual units and resulted in rebuilding insurance schedule due to fairly significant discrepancies and errors in the old schedule.
 - Valuation of common property against insured values remains correct.
 - On individual units the site manager (Mr Wayne Keet) was asked to validate as the Board picked up discrepancies in roof and building types and associated replacement values and risk premia. As a result, individual owners might be over-insured resulting in over-payment of levies or under-insured, which could result in the application of the “averaging rule” with owners’ potential claims being affected negatively.
 - Schedule updated with assistance of a property valuation company so that property replacement values are properly recorded. Also changed risk indicators due to thatch, Harvey on thatch and tin constructions, all of which effect premium.
 - The Board picked up differences showing which units are over insured and which units are under insured. This information will be shared with all owners to check. The risk of incorrect values is not with Utopia as the total value is correct, but to the individual owners. Owners are to reply in a certain timeframe and the schedule will be updated. It was noted that the schedule is in the pack.
- Mr Ferns questioned whether owners can have their own cover on homeowners’ insurance. It was noted that the Sectional Title Act does not allow for this.
- Mr Rosmarin noted that there are two types of insurance, homeowner insurance and content insurance. The Sectional Title Act governs that scheme has to hold the homeowner’s insurance. Contents insurance is separate and for owners to pick up individually.
- Mr Lawrenz noted, that, notwithstanding the “standard schedule”, some units are smarter than others and that an owner may therefore elect to increase the standard insured rate to a higher replacement value at own discretion.
- It was again highlighted that one cannot be double insured on one asset.
- In terms of Claims: we have had 6 claims across various units to the value of . approximately R92,000.00 in total. It was noted that there is one outstanding claim dispute regarding the reservoir. This is in the process of being resolved.
- Money still held in trust to the value of approximately R1.1m for 2 units that have not been rebuilt from the fire in 2014.
- It was noted that an amount of R224,000.00 of insurance money from the 2014 fire was paid out to an owner illegally and this is being investigated.
- A question was raised around the beneficiaries of interest accruing on monies held in trust. It was noted that the interest on the money held in trust accrues to each

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respective unit and effectively increases the money available. It was further noted that this money can legally only be used for rebuilding of the units.

- Mr Singiswa requested clarity on the 6 claims. Mr Lawrenz explained that these were primarily related to damages from break ins, roof damage and other small claims.
- A question was asked regarding certificates of compliance (lightning, gas, electricity). It was noted that these should be held by the managing agent against each unit.

d. Security

- Mr Lazarus noted that security at Utopia remains a challenge. He noted that there isn't a perfect solution but we continue to pursue strategies to improve this.
- He noted that, over the years, we have tried everything from outsourcing to armed and non-armed guards, to patrols and more. We have been through 4 or 5 companies and tried various options which arguably have not worked.
- At the start of the current board's tenure, Utopia had 6 to 8 in-house guards for gate security and patrolling.
- Over and above this, an independent company had been contracted to provide outsourced Rangers by the previous board. An amount was paid to this company (Labour Solutions) monthly but no definite scope of work was detailed in the contract. The management of the company did not come to site often and the Rangers' function was unclear. They did independent patrols but it appeared that part of their function was to oversee the Utopia guards. This caused total distrust between rangers and our own in-house guards.
- Following further investigation, it was found that some of the Rangers were not qualified, had no security training and/or were illegally in the country.
- It was noted additionally that the Utopia guards are housed at the gate house, that the accommodation is shocking and the guards were advised that they could no longer stay there as the guard house was substandard and not fit for human habitation. To this end the previous Board then wanted to move the guards off-site, which compounded the uncertainty and distrust of the in-house guarding compliment. In reality, Covid hit and guards were not moved off site.
- It was then decided by the new Board to consolidate and bring all the guards under one umbrella. This included taking over the Rangers that were legal and qualified and incorporate them into a single Utopia guard unit.
- The aim was to gear up to 12 guards (6 on duty at any time, 4 on standby and 2 in the control room, day and night shifts. This is a minimum number required.
- The current Board decided to restructure the guard management and supervision functions and promote in-house guards who have a PSIRA rating of A to the roles of Security Manager and Security Supervisor.
- Phineas Makoanyane was appointed as Security Manager and Sydney Dodovu as Security Supervisor, with one of them to be on duty at any point in time. The two were then given the opportunity to introduce themselves.
- In terms of recent security incidents, Mr Lazarus noted that most incidents take place at night. As such, the strategy was to reduce the number of guards in the day to 2 at

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the gatehouse, with 8 guards patrolling at night, in 4 2 man teams.

- In terms of board oversight, the Security Manager sends a report to Mr Lazarus once a week and the roster and routes of patrolling are evaluated.
- It was noted that crime generally peaks in October, November and December and that worryingly we had a recent break-in in broad day-light.
- 2 Other major incidents were highlighted to illustrate the challenges faced. Criminals cut fence at a particular place. The fence alarm triggered and was isolated. This was, however, just a decoy as when guards were sent to see where the breach occurred, the criminals moved to another area. Patrolling guards came past and the criminals ran away but came back later that night.
- On a general note, it was highlighted that morale has picked up considerably and the guards appreciate that they are under one management structure.
- It was further pointed out that this has not been without challenges. 2 Guards were fired recently, there continue to be issues with guards arriving late for duty, not arriving for duty at all and more.
- It was noted that the Site Manager (Mr Keet), while no longer responsible for security admin and management, remains involved when there are security incidents, and is connected with Valley Security and other external bodies.
- Mr Vlachopoulos noted operational issues in the past and complemented the current setup and noted that it is working.
- It was noted, as an ongoing issue, that there are still many units without alarms. If houses don't have alarms this puts Utopia at risk. There are approximately 16 houses without alarms. Mr Phil Ridgwell offered details of a local company with an excellent alarm system.
- A question was asked regarding the electric fence. Mr Lazarus noted that it works and was a good investment, but it is not without problems. Particularly the river side.
- Mr Singiswa raised concerns about how Hansie Smit and the rangers (Labour Solutions) were appointed and how the wasted expenditure will be accounted for. Mr Henning Lombaard noted that these are valid concerns but that one will always find issues such as these in a sectional scheme. The issue has been addressed and we must move forward united.
- Ms Jo van der Molen raised a number of security concerns and raised the option of again engaging an external company. Mr Lawrenz responded that all viable options would continue to be considered.

e. Infrastructure and operations

The following projects were undertaken:

- Renovation to the pump house and reservoir, this is ongoing and is part of the 10 year plan.
- Reservoir and water piping upgrade underway. This was partly financed by an insurance claim and has resulted in significant improvements.
- Electric fence energizers moved to reduce lightning damage and reduce

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downtime.

- Staff ablution facilities upgraded as they were in a shocking state.
- Security accommodation upgraded above gate house.
- Fire breaks burnt on time and in line with fire regulation cut-off date
- Massey Ferguson Tractor was an asset write off – Mr Willem Enslin took it away, we bought parts and Mr Enslin refurbished and completed it at his own cost. Mr Enslin was applauded by the Body Corporate for this.
- Dash cams installed in Utopia pick-up to monitor that it was being used for Utopia only.
- Prepaid meters installed and audit done.
- Full onsite asset register completed by Quarto. This will be aligned with the insurance schedule
- Firefighting bowsers were in poor repair. Mr Willem refurbished these using his own staff. Where significant expenditure for parts was required, 3 quotes were sought. This excluded specialist equipment that has limited availability.
- Further repairs such as brush cutters and more were also undertaken

f. Building sub-committee

The following was noted

- Committee established to bring all property up to building code standard.
- One of the challenges is that there are many units that are non-compliant.
- As a minimum any new construction must be done in alignment with building codes.
- Over time, historical units to be brought up to code.
- Building plan approvals extremely time consuming and challenging. This is an area that can be improved. As such, a process will be put in place to make this more efficient and get plans approved more quickly.
- A significant amount of work has been undertaken with regards the Share Block Scheme. An Attorney has been appointed to deal with the remaining units in the Share Block. Matters with SARS, as well as, required resolutions are being dealt with.
- A number of Real Right stands from the Share Block are not properly registered. We are in the process of rectifying this with a Land Surveyor.
- A new SDP has been drawn up showing current and future stands. This will be shared with everyone. This details all stands at Utopia.
- We have also dealt with non-standard and overlapping stands. These are historic problems and are being tackled and resolved.
- Phil Ridgwell has drawn up a schedule for the approval of municipal stands to assist people with this process.

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- Problems were noted regarding long approval times. These are to be referred to the building committee.

g. Environmental

- Ongoing eradication of alien invaders is constantly underway.
- One of the biggest issues continues to be baboons. There is no simple solution. Mountain Sanctuary are involved in tracking the troops but getting rid of the antagonists as advocated by some is not necessarily the answer. It was noted that people must not feed the baboons, as this exacerbates the problem.

h. HR and labour

- An independent labour consultant has been appointed to handle all labour relations issues.
- We had to restructure leave as there were discrepancies in the recorded leave. This was resolved
- There were staff issues during COVID and this required additional management.
- We held disciplinary hearing with various staff and a number of warnings and final warnings were issued. 3 Employees were dismissed.
- Quarto is in the process of trying to bring all files per unit up to date. We would like a template per unit that will include approved plans, compliance certificates, etc.

i. Marketing and communications

- Mr Lawrenz acknowledged that the board communication had come under valid criticism and could be improved.
- The board elected to send out a periodic board reports summarising what had been done, what the board was doing and what had been decided. It was felt that this would be more palatable than ongoing onerous board meeting minutes.
- It was noted that this would need to be re-looked by the new board and minutes of trustee meetings should be made available to members.
- Mr Ferns reiterated that trustee communication and responses were a problem.

j. General

- Mr Lawrenz thanked the Trustees, the staff, the service providers, the estate manager Mr Keet and the managing agents Quarto.
- He stated that the Board set out to work within their legal mandate with full accountability and transparency. We did not get involved in personal matters unless they transgressed our rules and we stayed within our legal mandate.
- Mr Lawrenz concluded that we must not tolerate any bullying, in-fighting, intimidation and must respect others' diverse interests for a better Utopia. The full report was distributed with the notice.

(as prescribed by section 17(6) of the prescribed Management Rules)**11. Forensic Audit & Project Investigation Feedback**

- Karl Lawrenz handed over to Anthony Rosmarin to give the feedback on the investigation.
- George Ferns objected, stating that there is no need for discussion as the report is not transparent. He noted that only certain people's feedback was presented in the report, with specific reference to Christa Fern's feedback that was not included. Karl responded that all identified participants in the investigation were invited to participate in either a physical or a zoom interview and that both Johan Siemens and Christa declined to participate in the interview process. George pointed out that Christa declined for the interview as they were away on holiday and she did send all information requested to the relevant parties via email. Mr Lawrenz acknowledged this, but noted that the response was received after the proposed deadline and after the investigation report had been drafted and finalised by the service provider.
- In terms of the process, Mr Ferns noted that he had reviewed the 3 quotes received to conduct the investigation and that 2 were legitimate companies to do the investigation, but not the third (selected) party. Mr Ferns also noted that the board had gone outside of its mandate in conducting a "project investigation" as opposed to a "forensic audit" as agreed at the AGM in 2020. Mr Ferns argued that, on the basis of the foregoing, the results of the investigation should not be tabled at the AGM.
- Mr Rosmarin asked whether the Trustees were being questioned on the process followed or the report itself.
- Mr Rosmarin argued that, notwithstanding the points raised by Mr Ferns, the members were entitled to be appraised of the findings as these constituted a number of areas of significant concern. Mr Rosmarin then highlighted certain salient points that emerged from the investigation, including the large capital amount spent on the pool renovations without following proper governance processes, insurance money paid out illegally on Unit 58, the primary beneficiary of many projects, KWE, the contractor that was unreachable, work that had to be redone by Utopia after KWE was paid, and payments made to Wayne Keet for work at Utopia while serving as a trustee.
- Mr Lawrenz brought the meeting back to order, noting that the Project Investigation report was based on the information received and interviews done within the designated time frame. He asked Mr Peter Lazarus and Mr Rosmarin to proceed and provide summary feedback on the Project Investigation and findings.
- Mr Lazarus gave the background as to the reason why the board elected to do a focused project investigation and not a forensic audit. This was based on the fact that a significant amount of work needed to be undertaken by the Trustees to get the financial records into a state that could be meaningfully interrogated, that the rationale for the proposed audit was to understand key items of supposed irregular expenditure on identified capital projects (highlighted in the 5 December 2020 AGM) and the need to look beyond a purely financial view into the decision-making, governance and project delivery aspects of the projects in question.
- Mr Lazarus reiterated that all parties identified to be interviewed received an invite to participate. Mr Siemens first agreed to the interview but then subsequently withdrew this offer. As noted earlier in the discussion, Mrs Ferns declined the offer to participate in an interview but offered to provide written feedback on the questions. Questions were posed and timeline extensions granted as requested. However, the final email submission from Mrs Ferns was received after the final deadline set. It was noted that Mr Willem Enslin's

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feedback was also not incorporated into the report as it was not received on time.

- Mr Lazarus concluded by asking how the board should best proceed based on the information from this report.
- Mrs Fiona Ridgwell noted that board meetings were held by the presiding board at the time where decisions were made ignoring objections raised by certain Trustees and that R700 000 was spent of Utopia's money.
- Mr Lawrenz noted that KWE was the direct beneficiary on many Utopia projects other than the pool project and suggested that, if anything further of real value needed to be done, it would be to ensure that KWE be investigated in more detail to understand more about the actual contracting process, project delivery responsibilities and flow of funds.
- Mr Rosmarin proceeded to give feedback on the report, noting that Trustees are elected to undertake the work on behalf of the Body Corporate and that the audit/investigation was asked for at the previous AGM as there were material concerns raised that the previous board did not adhere to their fiduciary rights and obligations.
- Key areas of concern highlighted by Anthony included:
 - Payments made to Mr Wayne Keet for services performed while serving as a trustee
 - Payments made out of insurance monies to on Unit 58 to settle arrears in contravention of prevailing rules/legislation
 - Security contract concluded with Labour Solutions (for outsourced Field Rangers) and the relationship and how it worked, given the lack of clarity scope and services set out in the contract.
 - Dissent between certain Trustees serving at the time Trustees and allegations that certain board members weren't included in certain decision-making processes.
 - Based on certain pre-work undertaken 3 main projects were selected to be investigated by a third-party service provider:
 - **Swimming pool upgrade** – although swimming pool maintenance is included the 10-year maintenance plan, no provision is made for, and no upgrading of the pool was approved. There was objection from some Trustees and no approval was sought from the members of the Body Corporate. A single contractor (KWE) quoted and was appointed. Utopia staff and resources used to do some of the work and to do remedial fixes after the work that was done by KWE. Concern was raised around the fact that there are warranties or guarantees on the pool, due to the passing away of the only contact Utopia had with KWE. Total over spend noted to be +- R200 000.
 - **Restaurant Walkway** – this walk way needed to be upgraded as a recommendation from an insurance survey conducted. Originally the walkway was railway sleepers – these were removed with no benefit Utopia. Additional quotes were obtained but KWE was selected even though they were the most expensive, without evidence of the rationale for this. Furthermore, based on an affidavit received to this effect, an independent contractor was appointed by Mr Wayne Keet to actually do the work. This contractor was ostensibly only paid in part for the work done. In addition, KWE came onto site and ripped out a substantial part of the completed walkway out as the new (current)

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board was holding back the final payment, pending unresolved queries posed to KWE on the project.

- **Camp-site Electrification** – A decision was taken to electrify the campsite as there was an unconfirmed/uncommitted group booking to camp. R45 000 – R50 000 was spent for the work, but the booking did not materialise. Although a requisite COC was issued, the investigation report identified concerns around restrictions to install electrical supply points below the 100 year flood line. This work was also not included in approved capital expenditure projects.
- Mr Rosmarin then requested guidance from owners as to what the new board should do with the information contained in the report. Karl suggested that, as a minimum, some additional investigation should be undertaken on why there was preferential treatment of certain contractors, and specifically to investigation the true nature of the relationship with KWE.
- Mr Rosmarin concluded that the whole investigation pointed to a breach of trust between the Trustees and the members.
- Mr Ferns again raised the need for the additional information submitted by Mrs Ferns to be considered and for the entire case to be submitted to CSOS. Mr Lazarus objected, but Mr Lawrenz proposed that in order to break the deadlock, that the members vote on whether to refer this to CSOS or not.
- Suggestion that the whole report need to be handed to CSOS for conciliation.

A vote was taken to proceed the investigation to CSOS, 93.75% voted that they need to proceed to CSOS.

12. Approval of schedule of insurance replacement values in terms of Management Rule 23(4), with or without amendment. only compulsory every 3 (three) years in terms of Management Rule 23(3))

- Mr Greg Brits discussed the insurance matter and encouraged owners to properly evaluate the insured sum of their units. This should include demolition, professional fees and the like. The onus rests on the owner to do so.
- Insurance requirements as follows:
 - Bush clearance needs to be 5m from the unit, 3 m for standard construction.
 - COC certificates need to be on record for insurance purposes. Gas, electrical and lightning.
 - Solar systems do need a COC. Mr Brits will confirm with F&I if this applies to higher voltage systems, as this is a technical point.
 - Solar systems should be specified with the homeowner's insurance but can be covered on a personal policy. A column will be added to the schedule to include units with solar.
 - Owners must start the process of having plans approved
 - Harvey over thatch is becoming a contentious issue, the insurer will keep us abreast of this issue.
- The policy includes sufficient fidelity cover
- Values should be evaluated every 3 years

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- A question was raised as to why our insurance risk is based on thatch, as we cannot rebuild in thatch. The insurance replacement should therefore be based on non-thatch. The new board is to investigate this.
- All communication with the insurer should be done through the managing agents.
- Approval of schedule of insurance was passed by a **100% vote of approval**

13. Approval of 10 Year Maintenance Plan.

- Katlego noted that in future, the 10 year maintenance plan should be properly managed. All maintenance should be logged against the 10 year maintenance plan so that it can easily be tracked. This was converted to an action for the future board.
- Mr Ferns requested that the 10 year plan not be adjusted every year. He further requested that Utopia go green and move towards solar for the entire complex. Mr Enslin agreed but noted that critical services would need to remain on mains. It was agreed to look into this.
- Mr Lombaard suggested that all procurement for infrastructure be properly recorded and made available to the Body Corporate each year. This was recorded as an action.
- Mr Lombaard asked if the 10 year plan aligns with funds available to undertake the work required? It was noted that we currently do. In the event that we drop below the required 25% reserve, we would need to top up the account. There is currently no payment to the maintenance reserve. Mr Lombaard noted that it is good practice to make ongoing payments towards the maintenance reserve.

10 year maintenance plan was *approved by a vote of 89.74%*

14. Approval of proposed capital expenditure items – to be funded from the surplus held in the Utopia Money Market Account (surplus) and not MRR Fund.

- Mr Enslin explained several projects which the current board proposed to undertake. The Body Corporate were invited to vote on these. Projects detailed below:
 - Staff quarter upgrade to build a steel and brick structure around the current building and then build the rooms on the inside, demolishing the old rooms on the inside as they go along. (R150 000)
 - Water reticulation infrastructure needs to be upgraded to take out the asbestos pipes and replace with the right size and type of pipes between all the reservoirs. Engineer to design the specific pipe layout and products to be used. (R100 000)
 - Reservoir 1 – relining and roof replacement – was already done as an insurance claim (R156 000)
 - Reservoir 3 – Relining and roof replacement (R156 000)
It was noted that once the reservoirs are repaired, we will have 2 million litres of water stored.
 - Electric fence upgrade and COC for the fence (R55 000)
 - Security 4X4 Pickup – a vehicle that can be used for security that can access all the terrain Quinton suggested a secondhand land cruiser be purchased. It was felt this would be expensive and other options should be looked at.(R55 000)
 - 3 security lookout towers (R120 000)

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- Security technology enhancements – radios, roboguard sensors and guard monitoring to see where the guards are moving and when they are moving. New radios will allow for better communication between the guards. (R50 000)

Quintin requested clarity whether the fence in the vicinity of unit 1 will be extended. Mr Enslin confirmed that it is in his plan.

Mr Ferns requested that quality products be sourced and not cheap equipment.

15. Approval of the Operating and Admin Budget.

- Budget was ***approved by 100%*** members

16. Approval to replace the stolen Maintenance LDV (Mazda)

- Mazda bakkie was stolen. Only R20 000 can be recovered from insurance.
- Option to be considered to buy a second hand bakkie and run the maintenance bakkie for longer.
- Option to look at finance options
- It was noted that this resolution does not give the Board of Trustees carte blanche on purchasing a new bakkie but rather to investigate purchasing options. These options are to be assessed by the Trustees and put forward to the members for voting.
- ***Approved by 88.75%***

17. Approval to retain current financial auditor.

- ***Approved by 76.92%***

18. Notification of amendment the Utopia conduct rules to bring these in alignment with legislation to allow limited access to Utopia by Road legal and road registered motorcycles.

- All in agreement to change the conduct rules and allow the changes to bring it in line with legislation. This change applies only to owners of units at utopia and not to guests.

19. Special Resolution to implement interest on arrear levies.

- ***Approved by 86.25%***

20. Special Resolution to amend the conduct rules to allow pets access to Utopia.

- ***Not Approved by 71.05%***

21. Determination of number of Trustees to be elected to serve for the next financial year.

- A number of 7 was tabled
- ***Approved by 100%***

22. Election of the Trustees.

Mr Singiswa pleaded with the Body Corporate to maintain the same board as the year prior in order to maintain continuity.

This was supported by Mr Robert Weiss who further thanked the current board.

All nominated candidates were given the opportunity to introduce themselves.

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- Voting took place and the elected Trustee were announced as follows (in alphabetical order):
 - Andrew Nel
 - Anthony Rosmarin
 - Heinz Meyer
 - Henning Lombaard
 - Karl Lawrenz
 - Peter Lazarus
 - Willem Enslin

23. Give directions or impose restrictions on the Board of Trustees in terms of Section 7(1) of the Act.

- Quotes to put the whole of Utopia on solar
- Different bakkie options to be investigated and presented to Body Corporate to vote on
- Financial Audit to be completed before 4 months after financial year end
- Communication between owners and Trustees to improve
- All 10 year maintenance items to be logged and recorded against the 10 year maintenance plan for reporting purposes
- All procurement documentation for infrastructure to be filed and collated against the 10 year maintenance plan for reporting purposes
- Project investigation and all documents relating to it to be sent to CSOS for ruling
- Column for solar to be added to insurance schedule
- Spend limit of R50 000 per event

24. Determination of the Domicilium citande et executandi of the Body Corporate.

- Stay the same as is:
Quarto Office
15 Prinsloo street
Brits
0250

25. The meeting was dissolved by Mr Lawrenz

DocuSigned by:
Andrew P. Nel

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Andrew Nel

DocuSigned by:
Henning Lombaard

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Henning Lombaard

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Willem Enslin

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Anthony Rosmarin

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Anthony Rosmarin

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Karl Lawrenz

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Karl Lawrenz

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Peter Lazarus