

MINUTES OF THE ANNUAL GENERAL MEETING BY THE MEMBERS OF THE BODY

(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:	28 JANUARY 2023
TIME:	9:00
VENUE:	UTOPIA HALL & VIRTUAL MEETING – DETAILS TO FOLLOW

1. Registration was done and proxies confirmed prior to the meeting. The voting process was run by Optivote SA using an integrated auditable platform to enable both local and remote voting. For participants attending in person, electronic voting keypads issued at registration, with a unique code assigned to each owner/proxy. Owners who attended remotely were registered with Optivote and their online voting was set up accordingly, with attendance confirmed by the presiding Managing Agents (Quarto) and Optivote.
2. Attendance was confirmed to constitute a quorum achieved, and the meeting continued.
3. The presiding chairman of the Board of Trustees, Karl Lawrenz, was elected to chair the meeting.
4. It was confirmed that notice of the meeting went out to all owners for the AGM timeously; no objections were lodged.
5. Approval of minutes from the previous general meeting
 - a) The minutes from the previous AGM were tabled and went to the vote for approval.
 - b) The minutes were approved, on the basis of the results tabulated below.

Voting Summary	Yes	No	Abstain
Approval of Minutes	56	0	7

6. Approval of the annual financial statements for year end 30 June 2022.
 - a) The Financial Statements for the year ending 30 June 2022 were tabled and went to the vote for approval.
 - b) The financial statements were approved, on the basis of the results tabulated below.

Voting Summary	Yes	No	Abstain
Approval of Annual Financial Statements	56	0	2

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7. Chairperson report

a) Karl talked through an extensive presentation with an in-depth explanation of the highlights over the past year. Each trustee had the opportunity to fill in additional detail per portfolio and answered any questions that were raised. The presentation slide deck is attached to the minutes and salient aspects set out below for ease of reference.

b) Finances

- Surplus funds balance (R1.0m) in the bank were noted as being sufficient to cover maintenance, repairs and replacement costs as per the 10-year plan and budget. These would be deployed for identified capital projects that have been prioritised to be tabled for approval in the AGM.
- The MRR Reserve fund balance of R1.34m was noted, representing a figure of approximately 30% of annual levies, which is comfortably above the required level of 25%.
- The financial position thus resulted in no need for a levy increase for the following year.
- Long standing legal debtors were highlighted as an ongoing challenge and a better/more aggressive attorney approach needs to be taken. This was noted as a directive to the new board of trustees.

c) Infrastructure and operations

- Significant work undertaken to maintain Utopia infrastructure and equipment was summarized in respect of vehicles, staff houses, water reservoirs, roads, Kingfisher bridge, main access gate, water reticulation, electric fence, general electrical installations, tennis courts, brush-cutters, fire-fighting equipment, etc
- Willem was complimented on a good job in keeping a good hand on what needs to be done. Willem thanked Wayne and his maintenance team for their work.
- Karl indicated a significant problem with large construction vehicles that make use of some of the Utopia strip roads to access owner units for building work, resulting in serious damage to these roads. It was noted that that smaller bakkies need to be used to ferry building material to units.
- Willem noted that there are plans under discussion for a joint upgrade together with Mountain Sanctuary Park on the access bridge near the corner shop just off the Breedts Nek road.
- The options to explore solar solutions was raised. For the pump stations, Willem explained that this requires a 3-phase solution and would cost close to R900 000, which is deemed too expensive at the moment. It was agreed that the incoming board would investigate areas that could be converted to solar.
- Fire equipment audit and compliance was reported and having been done.
- An updated asset register has been completed with photographs.

d) Building Sub-committee

- Henning presented on salient matters

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- Municipal Building Plan Approvals - material issues with the building plan approvals prevail, as the majority of units in Utopia still have not applied. These requirements are now becoming mandatory for the sale and transfer of units at the deed's office. Requirements and process to be circulated to all owners.
- Utopia Building Plan approvals - It was noted that the incoming board should appoint an architect to assist and provide compliance and consistency. A resolution has been tabled to be voted on
- The building code is to be shared with owners by the managing agent. The code is to be enforced; it was specifically noted that, going forward, no one may deviate from the code and that past wrongs cannot be used to justify the wrongs of the future.
- Estate Assessment – a detailed assessment of the estate was undertaken in 2022 and the need for a proper fire plan and review of Utopia land use rights were noted as actions for the incoming board.
- Owners asked about any land claims on the land of Utopia. Fiona Ridgwell confirmed that there is no land claim on the land of Utopia.

e) Rentals

- A significant increase in short-term rentals was noted, with a corresponding concern for a need for better communication and enforcement of the Conduct Rules.
- A proposal was also presented that rental units should formally register with the estate, including the levying of an annual rental registration fee.

f) Security

- A brief overview of the state of the security was presented, noting that we have established a stable and effective team and security protocols.
- Accommodation was highlighted as still being a major issue to be addressed as a matter of urgency by the incoming board. This included consideration of renovating the old caravan park ablution building as one of the better options.

g) Environmental

- It was noted that baboons and monkeys remain an ongoing, growing and untenable problem with units and dustbins being raided, property being damaged and the animals becoming more brazen and aggressive. This was highlighted as an urgent matter for the incoming board to address.
- The need for an update to Utopia Environmental Management Plan was pointed out as this is long overdue.
- Also, the need for more proactive management of invader species by maintenance team (guided by Environmental Trustee and Site Manager) was noted.

h) Human Resources and Labour

- Independent Labour Consultant retained to handle all Labour Relations activities.

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- Rectification of pay, leave and overtime issues
- Security remuneration structure completely revamped to comply with regulations/sectoral determination and Bargaining Council,
- Long outstanding SARS returns for security resolved
- Provident Fund resolved for Security - Utopia has now been registered at the Private Security Services Provident Fund (PSSPF) and all security staff have been registered as of March 2022

i) Utopia Shareblock and Trust

- Utopia Trust – a summary of the deregistration process was provided
 - Deregistration with the Master of the Court was completed on 3 December 2020.
 - Outstanding tax returns are in process with our Auditors including submissions to SARS, with other SARS matters being wrapped up in order for final SARS deregistration.
- Utopia Shareblock – key activities were summarized as progressing, albeit slowly:
- New Directors and Company Secretary were appointed.
- Outstanding Audited Financial Statements and tax returns are being resolved.
- The Directors revoked the shares of shareholders that have been in arrears for years.
- A number of issues relating to some of the remaining Shareblock units were outlined.

j) Conclusion

- In closing the Chairperson's address, Karl thanked the Trustees, additional people coerced to assist on various fronts, the Site Manager and the maintenance and security staff, as well as our managing agents Quarto, who have all worked to look after Utopia.

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

- a) Greg Brits, the broker for Utopia's insurance, explained the insurance policy, the importance of having the properties valued and insured at the correct amount and that it is each owner's responsibility to make sure units are properly insured.
- b) Greg further explained that the solar installations need to be specified and what the requirements around this are. In addition, the importance of various compliance certificates (e.g. gas, solar etc) was noted and why reputable installers need to be used.
- c) Greg mentioned that there has been a drive with Quarto and the trustees to have the insurance schedule values updated and urged the owners to work with to update the spreadsheet so that the cover can be corrected, and the insurance be correctly implemented.
- d) It was also mentioned that the plans of each unit need to be registered at local municipality so that it is correctly insured, but this will be addressed by the building

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committee.

- e) The Insurance schedule was tabled to be approved, covering:
- Insurance for Utopia fixed property (as per the AGM pack circulated)
 - Management Rule 23(6) - public liability insurance (minimum of R 10 million);
 - Management Rule 23(7) - risk of loss of funds due to fraud or dishonesty by a trustee, managing agent, employee or other agent of the Body Corporate.
 - Management Rule 23(8) - any additional insurable interest that the Body Corporate has in the land and buildings of the scheme or relating to the performance of its functions (to be approved by special resolution once such additional insurable interests have been identified).
- f) The insurance schedule was approved, on the basis of the results tabulated below.

Voting Summary	Yes	No	Abstain
Approval of Insurance Schedule	63	0	0

9. Approval of 10 Year Maintenance Plan was tabled

- a) The 10 Year Maintenance Plan and the planned projects were explained in detail as well as the projects that were completed in the past year.
- The importance of the reservoirs was highlighted, including the resolution of a dispute between with our insurer.
 - Willem assured all owners that the Trustees and maintenance staff had done their utmost to avoid any unnecessary expenditure of funds. It was mentioned by other trustees that Willem gives a lot of his own resources and time to Utopia at no cost to help and assist. Willem was thanked for this.
- b) The 10 year maintenance plan was approved, on the basis of the results tabulated below.

Voting Summary	Yes	No	Abstain
Approval of 10 year maintenance plan	60	2	3

10. Approval of proposed capital expenditure items

- a) It was noted that to capital expenditure items would be funded from the surplus held in the Utopia Money Market Account (surplus) and not the MRR Fund.
- The list of capital expenditure items was sent out with the AGM Pack.
 - Willem highlighted a few key items for additional clarity.
 - Relining and new roof for reservoir 2
 - Staff Housing
 - Conversion of old caravan park ablution facilities into security accommodation
 - Water infrastructure

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- Karl clarified, that members were invited to vote on a mandate for the incoming board of trustees to draw on capital reserves that Utopia has over and above the MRR Fund, and carry out the capital projects approved last year plus the items included in the AGM pack for this year.
- Concern was raised by an owner, Siphos Singiswa, on unresolved capital expenditure items relating the board of trustees that presided prior to the AGM of 5 December 2020.
 - Karl indicated that these matters had been addressed transparently in the full project investigation report that was presented to owners in the previous AGM (22 January 2022). As instructed by members at that meeting the report has been submitted to CSOS and CSOS has reverted asking Utopia for the precise remedy being sought. The matter is ongoing with CSOS.
 - The options yet to be pursued in this regard included recouping the irregular expenditure, which would arguably result in a lengthy and expensive criminal case, with a questionable chances of any success. The board believed that the primary objective was achieved in terms of exposing the expenditure and poor governance followed in order to prevent such re-occurrence.
 - Karl confirmed, furthermore, that the findings of the project investigation included findings of irregular expenditure and improper governance by the presiding board at the time. Karl then sought clarity from Siphos as to whether he was asking that any further capital expenditure approvals be put on hold until such time as these prior matters were fully resolved.
 - Karl then indicated that, post the problematic project expenditure in question, the new board has put in place more transparent capital expenditure process, with specific itemized capital projects tabled both at the previous and this AGM for members to vote on. This included circulation of the minutes of monthly trustee meetings to all owners.
 - Concern was raised by an owner indicating that such minutes were not being received by all owners. Karl then indicated that Managing Agent needs to do a full audit to ensure that the owners' mailing list is complete and up to date.
 - It was then resolved that Utopia should proceed with voting on the individually tabled capital project items.

- b) The capital expenditure items tabled were approved, on the basis of the results tabulated below.

Voting Summary	Yes	No	Abstain
Approval capital expenditure items	62	0	0

11. Approval of the Operating and Admin Budget.

- a) The Operating and Admin Budget was circulated with the overall AGM pack.
- b) The Operating and Admin Budget was approved, on the basis of the results tabulated below.

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Voting Summary	Yes	No	Abstain
Approval Operating and Admin Budget	64	1	0

12. Approval to retain current financial auditor.

- a) The retention of the current financial auditor was approved, on the basis of the results tabulated below.

Voting Summary	Yes	No	Abstain
Approval Financial Auditor	59	4	3

13. Approval of appointment of Managing Agent (new contract term).

- a) It was noted that Quarto has been Utopia's Managing Agent since 1 February 2020 and that their 3 year contract expires on 31 January 2023 as per the rules of the Sectional Title Schemes Management Act.
- b) The Trustees indicated that they had followed a transparent process whereby they solicited competitive bids from 5 prospective managing agents:
- Martinique (previous Utopia managing agent)
 - PBCM
 - VWPM
 - Trafalgar
 - Quarto
- c) The proposals were evaluated against a comprehensive pre-defined list of management services required by Utopia, plus a detailed cost breakdown comparison, which compared standard fees, additional fees and total fees per unit.
- d) Trustees voted on the selection of the preferred Managing Agent, with Martinique selected as the top candidate.
- e) The current Board of Trustees therefore recommended that the incoming Board of Trustees for 2023/2024 appoint Martinique as the Managing Agent for Utopia for the following 3 years. This was tabled for approval.
- f) The appointment of Martinique as Managing Agent was approved, on the basis of the results tabulated below.

Voting Summary	Yes	No	Abstain
Approval Managing Agent	62	4	2

14. Ordinary resolutions:

- a) Henning Lombaard tabled the resolution for the appointment of an independent external party to take on the responsibility of approving new building plans in accordance with the Building Code.
- b) The appointment of an independent party to assist with building plan approvals was approved, on the basis of the results tabulated below.

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Voting Summary	Yes	No	Abstain
Approval independent party to assist with building plan approvals	59	1	2

- c) Henning outlined the rationale for the introduction of a short-term rental registration process and the levying of an annual registration fee.
- d) There was discussion around the different options available, and it was resolved to stick with the proposed simple process as a start with full transparency. An annual registration fee of R1500.00 was proposed to be voted on.
- e) The establishment of a short-term rental registration process and levying of an annual rental registration fee was approved, on the basis of the results tabulated below.

Voting Summary	Yes	No	Abstain
Approval of short-term rental registration process and annual rental fee (R1500.00)	48	11	0

15. General Matters (tabled by members)

- a) Baboons – dealt with in Chairman’s report

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

- a) The option to vote for either 5, 7 or 9 trustees was tabled.
- b) The number of Trustees to serve on the board was approved to remain at 7, on the basis of the results tabulated below.

Voting Summary	5	7o	9
Number of Trustees	2	59	4

17. Election of the Trustees.

- a) The Trustee nominations were listed
 - Adonis Vlachopoulos
 - Andrew Ian Nel
 - Henning Lombaard
 - Jay Naidoo
 - Karl Lawrenz
 - Lesedi Gabriel Motsatsi
 - Natasha Tshabalala
 - Willem Herman Enslin
 - Wilfred Wank
- b) Each nominee was afforded the opportunity to present themselves to owners

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- c) Voting resulted in the following members taking over as the incoming board (with vote tally shown).
 - Willem Herman Enslin (58)
 - Henning Lombaard (55)
 - Karl Lawrenz (55)
 - Lesedi Gabriel Motsatsi (52)
 - Andrew Ian Nel (47)
 - Jay Naidoo (39)
 - Natasha Tshabalala (35)

- 18. Give directions or impose restrictions on the Board of Trustees in terms of Section 7(1) of the Act.
 - a) None was tabled.
- 19. Determination of the Domicilium citande et executandi of the Body Corporate.
 - a) Confirmed that this would change to the new managing agent
 - b) Address (Martinique)
- 20. Dissolve the meeting.
 - a) The Meeting was duly closed by Danie Brink at 13:32.