



# MOSSEL BAY GOLF ESTATE HOME OWNERS ASSOCIATION

Association incorporated under section 21 of the Companies Act 1973 (as amended)

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## MINUTES OF THE 19<sup>TH</sup> ANNUAL GENERAL MEETING OF THE MOSSEL BAY GOLF ESTATE HOME OWNERS ASSOCIATION THAT WAS HELD ON THURSDAY, 8 DECEMBER 2016 AT 10H00 IN THE DUTCH REFORMED CHURCH HALL, 17<sup>TH</sup> AVENUE, MOSSEL BAY

<b>1</b>	<b>OPENING &amp; WELCOME:</b>	
	The chairman, Mr Blythe-Wood, opened the meeting and welcomed everyone present. The meeting was presented in English, and if any owners required a translation; Willem Prinsloo and Gabriel Smith were available to translate.	
<b>2.</b>	<b>ATTENDANCE PROXIES AND APOLOGIES:</b>	
	Owners as per the attendance register: 57 Proxies received: 43	
	A legal Quorum was obtained.	
	Status Mark: Messrs WCE Prinsloo, S Koen, C Steyl & Mrs. A Prinsloo	
	<b>Apologies:</b> Mnr. Barend Nortje Mnr. Anton Geldenhuys Dr. SP Olivier Mr. JP Snyman	
	<b>In Memoriam: Prof De Swardt</b> Mr. E Hobbs informed the meeting of the passing of Prof De Swardt and moved for a moment of silence, which was held.	
<b>3</b>	<b>APPROVAL OF THE PREVIOUS MINUTES &amp; MATTERS ARISING:</b>	
	<b>The minutes of the AGM of 23 December 2015 were tabled and the members were asked to approve with or without amendments.</b>	
	Mr. C De Jager stated that the members were not given the opportunity to nominate a 2nd person as director, as only one position was mentioned to be filled, yet 2 were chosen.	
	Minutes are so approved: Proposer: John                      Seconded: Mr. G Smith	
	<b><u>Matters Arising from minutes of 23 December 2015:</u></b>	
	<b>Voting Procedure of OTB:</b> Mr. Moll stated that the procedure of voting per hand and not per ballot was incorrect and as such the result cannot be accepted. Something as serious as an OTB must be done via ballot. Members with multiple properties did not have representation with votes via hand. Mr. Blythe-Wood stated that the Chairman can choose how to vote to which Mr. Moll commented that it is incorrect.	
10.1	<b>Sub Judice</b> Mr. Moll commented that the implimentation of the Sub Judice rule is not correct as it only applies to issues which are at court, and this was pointed out by several members at the particular meeting. The process on the OTB must be fair, open	

6.	<p>and transparent.</p> <p><b>Pets</b> Mr. C De Jager stated that it is minuted that the “estate will be pet free in the next 10 years”. It is questioned where this information was gathered and whether it was in fact stated.</p> <p><b>The minutes of the EGM of 26 May 2016 were tabled and the members were asked to approve with or without amendments.</b></p> <p>Mr. Pillay is concerned that minutes are not sent out timeously as he did not receive his minutes of the particular meeting. The members must know when minutes are to be sent out. Mr. Blythe-Wood stated that the minutes of the meeting must first be approved.</p> <p>Mr. C De Jager stated that he raised an objection at the specific meeting that the timing of the meeting was “<i>extremely disingenious</i>”. This was not minuted in the minutes and needs to be inserted.</p> <p>Mr. Pillay stated that his apology from Mrs. Liebenberg not being able to attend was also not minuted.</p> <p><b>The following is to be inserted into the minutes of the EGM:</b> <i>Mr. C De Jager stated that the timing of the meeting is extremely disingenious.</i> <i>Mr. C Pillay apologised to Mrs. Liebenberg on the way the Board treated her.</i></p> <p>Proposer: Elize van Niekerk    Seconded: JR Blythe-Wood</p>	
4	<p><b>ELECTION OF DIRECTORS:</b></p>	
	<p>Clause 16.1 will be applied to the election of directors. Two directors were required to retire from office, and one position remained vacant. Therefore three vacancies exist on the Board. Five nominations were received within the specified time.</p> <p><b>Nominations received:</b> Mr. M Smith    (60 VOTES RECEIVED) Mr. JP Snyman (41 VOTES RECEIVED) Mr. CW Kuun    (62 VOTES RECEIVED) Mr. R Pillay    (53 VOTES RECEIVED) Mr. E Hobbs    (45 VOTES RECEIVED)</p> <p>The members are asked to choose a maximum of 3 members.</p> <p><b>Members elected:</b> Mr M Smith (re-elected), Mr. CW Kuun &amp; Mr R Pillay.</p> <p><b>The following Board members will remain on the Board:</b> Messrs J Blythe-Wood, K Otto, G Smith</p>	

	<p>Dr. Griesel P Venter.</p> <p><b>Resignations:</b> Subsequent to the meeting, Dr. Griesel resigned as Director due to personal reasons.</p>	
5	<p><b><u>CHAIRMAN'S REPORT</u></b></p>	
	<p>The written report was circulated prior to the meeting and updated and approved at the Annual General meeting. The following matters were highlighted by Mr. Blythe-Wood:</p> <p><b><u>Security:</u></b> Mr Pieter Venter is the current Chairman of the Security Portfolio.</p> <p>Mr. Pillay stated the following:</p> <ul style="list-style-type: none"> <li>➤ The guards at the entrance/exit gates write down the number plates of cars entering and leaving the estate.</li> <li>➤ There are security cameras at the gates monitoring movements.</li> <li>➤ The question was posed whether the writing down of number plates is constitutional and whether it does not infringe upon an individual's right to privacy?</li> </ul> <p>Mr. P Venter commented as follows:</p> <ul style="list-style-type: none"> <li>➤ There was a change of security company from Suiderkruis to Thoburn Security.</li> <li>➤ It did happen that a couple of guards were caught napping on the job and to combat this from happening in future, the SubCommittee imposed the taking of number plates to keep the guards awake.</li> </ul> <p>Mr. Pillay commented:</p> <ul style="list-style-type: none"> <li>➤ The management of the security company/guards should be addressed, and the rights of an individual must not be infringed upon.</li> </ul> <p><b><u>Maintenance:</u></b> Mr Kosie Otto is the current Maintenance portfolio chairman. Apart from the booms at the entrance gates where breakages did occur due to maturity, no other major problems were experienced.</p> <p><b><u>Rules &amp; Regulations:</u></b> Dr Griesel, assisted by Mr T Leonard is the Chairman of the Rules and Regulations Portfolio.</p> <p>Mr. Blythe-Wood stated the following:</p> <ul style="list-style-type: none"> <li>➤ The directors approached the firm of Paddocks to draft a new set of rules (which have been approved by directors at board meeting held on 31 October 2016).</li> <li>➤ The schedule of penalties is now up for vote to be approved.</li> <li>➤ The major change is that tenants can now be allowed to have a pet.</li> <li>➤ The directors can approve rules according to Paddocks, however the schedule of penalties must be approved by the members.</li> </ul> <p>Mr. C De Jager stated the following:</p> <ul style="list-style-type: none"> <li>➤ The statement that the members have no say is completely wrong.</li> <li>➤ The legal principle of audi alteram partem principle must be applied.</li> <li>➤ The gentleman respectfully disagrees with the opinion of Paddocks.</li> <li>➤ The members cannot vote on penalties since the new rules have not been</li> </ul>	

seen by members.

- Proposes that a copy of the rules with the amendments clearly visible be sent out to members.

Mr. Blythe-Wood commented:

- The directors are not being malicious, in fact, the changes have made the rules more fair to all.
- Should one disagree with rules, one can make application to board to have rule(s) changed.

Mr. G Smith commented:

- The MOI is the Bible to the Conduct Rules in that every rules in the Conduct Rules must relate back to the MOI.

Mr. Pillay commented:

- When a part of an agreement is changed, the entire agreement is changed.

Mr. Moll commented:

- There is a penalty for speeding on the agenda.
- How is the board going to fine a person who is speeding; and how is it going to be determined that they are speeding.
- Proposes that more research is to be done how a speeding is to be determined, and then approach members with the various options.
- The gentleman feels this is very similar to the previous speed traps which were ultimately illegal and therefore stopped.

Mr. M Smith commented:

- There should be laws in place, irrespective of whether it is used or not. The mechanism should be in place for the possibility.
- The schedule of penalties is a tool which the HOA can use in such circumstances.
- The Municipality is happy to assist.

Mr. AH van Rensburg commented:

- The gentleman spoke to the head of traffic at Mossel Bay Municipality who told him that they cannot trap people since the estate is private property.
- Cannot agree on penalty if you do not know what it relates to.

The question about self catering accommodation and how it relates to the penalties; as well as the refundable deposit of R1500 was raised by concerned owners. Mr. Blythe-Wood stated that the deposit is refundable and the penalties are applicable when guests breach the rules.

It also adds to security – Mr. Blythe-Wood went on to explain about instances in other estates where holiday goers used the access to steal things from the properties they are staying at, and using their access to move items off site.

A member from the meeting stated there seems to be a communication problem. The proposal is that there must be a monthly newsflash informing the members of happenings on the estate.

Especially with legal matter which can involve huge costs to the HOA, the proposal is that this is to be communicated to the members beforehand to inform

them. Member stated that "we are all in this together".

Mr M Smith commented:

- During the year there have been 4 newsletters sent out to members.

Mr. C De Jager commented:

- Proposes that all the aggrieved parties get together around a table and seek to find a viable solution so as to avoid huge legal costs.
- Mrs (Adv) M Du Toit can assist.
- Status Mark to send copy of Arbitration ruling to Mr. C De Jager.
- Minuted that only R21 000 is made provision for in the new budget – which is less than the current.

Mr. Moll stated:

- He is one of the people mentioned in the Chairman's Report.
- Has been seeking to sit down with Board for the past 5 years.
- Potential penalties against HOA can run into Millions if found against HOA.

The Chairmain commented that arbitration has been offered to the member but the member refused.

**Finance:** Mr Snyman, who is not present at the AGM, is the outgoing Chairman of the Finance Portfolio.

Mr. Blythe-Wood commented that the finances of the estate is going very well.

Mr. C De Jager brought up the issues of CSOS and Fidelity Insurance. Status-Mark is aware of the CSOS implications and have implemented Fidelity Insurance as instructed.

Mr. C De Jager further pointed out that he feels concerned about the legal costs to the estate. Mr. De Jager also pointed out that many of the owners are capable of assisting the Board / HOA with legal matters, such as Adv. M Du Toit.

There is a proposal that the parties must sit around a table and discuss the matters so as to avoid unnecessary legal costs.

Mr. C De Jager further pointed out that the timing of the current meeting is also suspect and disingenuous as a lot of owners are still working and as a result are unable to attend the meeting.

Mr. Blythe-Wood complimented Mr. De Jager on his proposal to take hands and work together. There are problems getting dates later in the year for the specific venue. Mr. Blythe-Wood assures the members that the selection of dates was a thoroughly discussed one

Mr. G Smith also thanked Mr. De Jager for his constructive criticism; and stated that there were 2 objections to the date of the meeting, yet 11 welcomed it.

Mr. Le Roux supports Mr. De Jager and proposes that the Board might consider an evening meeting in future.

Mr. Le Roux also points out that there is a R200 000 overspend in the financial

	<p>statements compared to the budget. Mr. Pillay stated that there are no interest on investments on the financial statements. Mr. WCE Prinsloo stated there is also no item for depreciation on budget, and the interest on investment (R235 000) is subsidizing levies.</p> <p>Mr. Pillay stated there may have been some discretionary expenditure in the budget and proposes that the budget should be discretionary in principle. Further that there should be guidance from the members that there can be a percentage buffer on either side. This will then eliminate the current situation.</p> <p>Proposer: Mr. O Ehrensperger    Seconded: JR Blythe-Wood</p>	
<b>6</b>	<b>Ordinary resolution 1: Schedule of Penalties</b>	
	Members were asked to vote on the implementation of the proposed Schedule of Penalties.	
	<b>In favour: 42</b>	<b>Against: 49</b>
	<i>ORDINARY RESOLUTION 1 CANNOT BE ACCEPTED BY A MAJORITY VOTE, THEREFORE ORDINARY RESOLUTION 1 WAS NOT ACCEPTED</i>	
<b>7</b>	<b>Ordinary Resolution No2 (Financial Statements)</b>	
<b>7.1</b>	<p>Consideration and Approval of Financial Statements as presented: The financial statements were audited by independent auditors. The Financial statements show a surplus of R315 473 for the year ending 30 June 2016. A member asked whether the query with SARS regarding the tax has been resolved. Mr. Blythe-Wood stated it has.</p> <p>Mr. D Le Roux:</p> <ul style="list-style-type: none"> <li>➤ Why not use the reserve to subsidize the levies?</li> </ul> <p>Mr. Blythe-Wood:</p> <ul style="list-style-type: none"> <li>➤ That is exactly what is happening.</li> <li>➤ Levy only increased with R50/m while costs are much more.</li> </ul> <p>Mr. W Prinsloo:</p> <ul style="list-style-type: none"> <li>➤ Did not budget for reserve fund contribution</li> <li>➤ Interest is used to subsidize levies</li> <li>➤ However, Mr. W Prinsloo does not advise using reserve to subsidize levies, and would rather advise a more cautious approach which includes reserve fund contributions.</li> </ul> <p>The financial statements were approved by the meeting.</p>	
	<b>In favour: 92</b>	<b>Against: 1</b>
	<i>ORDINARY RESOLUTION 2 MUST BE ACCEPTED BY A MAJORITY VOTE, THEREFORE ORDINARY RESOLUTION 2 WAS ACCEPTED</i>	
<b>7.2</b>	<b>Ordinary Resolution No 3 (Budget)</b>	
	<p>The budget for 2017/2018 was tabled. The budget estimates for the ensuing financial year were circulated prior to the Annual General Meeting.</p> <p>Mr. D Le Roux:</p> <ul style="list-style-type: none"> <li>➤ The member queried the substantial spending increase under site office?</li> </ul> <p>Mr. W Prinsloo:</p> <ul style="list-style-type: none"> <li>➤ The assistant site manager was always included under Security, but now</li> </ul>	

	<p>moved under site office.</p> <ul style="list-style-type: none"> <li>➤ This resulted in a saving on security spending, but increase in site office spend.</li> <li>➤ Security did not increase</li> <li>➤ Mr. Prinsloo explained the breakdowns of the various items forming site office.</li> </ul> <p>Mr. Pillay questioned why security companies were changed. Mr. P Venter responded that this was due to poor service delivery. Mr. Pillay stated that costs actually increased.</p> <p>The budget was approved by the meeting.</p>		
	<b>In Favour: 94</b>	<b>Against: 0</b>	
	<i>ORDINARY RESOLUTION 3 MUST BE ACCEPTED BY A MAJORITY VOTE, THEREFORE ORDINARY RESOLUTION 3 WAS ACCEPTED.</i>		
<b>8</b>	<b>Ordinary Resolution No 4 ( Appointment of Auditors)</b>		
<b>8.1</b>	Jean Pretorius was appointed as Auditor for the ensuing year.		
	<b>Proposed:</b>	<b>Seconded:</b>	
	<b>In favour: 97</b>	<b>Against: 0</b>	
	<i>ORDINARY RESOLUTION 4 MUST BE ACCEPTED BY A MAJORITY VOTE, THEREFORE ORDINARY RESOLUTION 4 WAS ACCEPTED</i>		
<b>8.2</b>	<b>Ordinary Resolution No 5 (Auditors Remuneration)</b>		
	<b>Proposed:</b>	<b>Seconded:</b>	
	<b>In Favour: 92</b>	<b>Against: 1</b>	
	<i>ORDINARY RESOLUTION 4 MUST BE ACCEPTED BY A MAJORITY VOTE, THEREFORE ORDINARY RESOLUTION 5 WAS ACCEPTED</i>		
<b>8.3</b>	<b>Ordinary Resolution No 6 (Obligation to Build Penalty @ R1000/month)</b>		
	<p>Mr. Blythe-Wood stated that the OTB penalty is working, taking vacant stands from 67 to 27 in 4 years.</p> <p>Members with 2 or more stand next to each other that has been combined will only pay one penalty.</p> <p>Mr. Pillay:</p> <ul style="list-style-type: none"> <li>➤ Suggests that the penalty be capped, as it cannot continue indefinitely</li> </ul> <p>Chairman: Penalty will continue during arbitration.</p>		
	<b>In Favour: 54</b>	<b>Abstain: 34</b>	
	<i>ORDINARY RESOLUTION 6 MUST BE ACCEPTED BY A MAJORITY VOTE, THEREFORE ORDINARY RESOLUTION 6 WAS ACCEPTED</i>		
<b>10</b>	<b><u>MATTERS OF WHICH PRIOR WRITTEN NOTICE HAS BEEN RECEIVED BY THE 15<sup>TH</sup> DECEMBER 2015 NO LATER THAN 10H00</u></b>		
<b>10.1</b>	<b>MR C DE JAGER – MANAGEMENT OF THE ESTATE</b>		
	<p>Mr. C De Jager:</p> <ul style="list-style-type: none"> <li>➤ stated that some of his friends visited Mossel Bay and stayed on the estate for the duration. They remarked that the estate has a negative “vibe” and is too restrictive with</li> </ul>		

	<p>regards to rules.</p> <ul style="list-style-type: none"> <li>➤ Asked the Board to change the sign at the gates as it looked like a “wheelchair”.</li> <li>➤ Asks how to go about changing the perception that the estate is “overregulated”?</li> </ul> <p>Directors stated that the rules are there to protect everyone and create an harmonious setting.</p> <p>Various owners at the meeting stated that they actually enjoy the rules being enforced since they come from neighbourhoods/estates where rules are not enforced, which results in chaos.</p> <p>Mr. M Smith:</p> <ul style="list-style-type: none"> <li>➤ The other side of the story is that people cannot get property on the estate</li> <li>➤ The golf day raised R50 000 for Huis Elsje.</li> <li>➤ There were 58 sponsors for the golf day, with 112 players; and more on the waiting list.</li> <li>➤ Everyone wants to be part of the estate</li> <li>➤ Golf Digest contacted the Golf Club and HOA for a listing in their December 2016 issue</li> <li>➤ An estate without rules = chaos in a month.</li> </ul> <p>Mr. H Boning:</p> <ul style="list-style-type: none"> <li>➤ Very happy with rules</li> <li>➤ Lived in Bloemfontein in an area overrun with students and dogs</li> <li>➤ Bought in the estate specifically for the calm and quiet</li> <li>➤ Suggests rules for meetings as well</li> </ul> <p>Mr. O Ehrensperger:</p> <ul style="list-style-type: none"> <li>➤ Lived on estate for 15 years</li> <li>➤ Enjoys the wonderful relationship with golf club</li> <li>➤ Commends the Board for their continued effort</li> <li>➤ Ask the 2 owners to sit down with Board and discuss issues</li> </ul> <p>M. Du Toit:</p> <ul style="list-style-type: none"> <li>➤ New residents</li> <li>➤ Properties not available is not factually correct</li> <li>➤ Agents warn that estate is overregulated</li> <li>➤ They bought for security purposes</li> </ul> <p>Mr. J Alexander:</p> <ul style="list-style-type: none"> <li>➤ Mr. Alexander is a resident agent</li> <li>➤ Never had negative comments on rules</li> <li>➤ Must take negative comments from agents with pinch of salt</li> <li>➤ No reason to relax rules.</li> </ul> <p>Chairman:</p> <ul style="list-style-type: none"> <li>➤ Goal is to resolve issues with 2 owners</li> <li>➤ Thanked the Board for their backing</li> <li>➤ Estate is running well and thanked everyone involved</li> </ul>		
10.2	<b>MR. C PILLAY – REAPPOINTMENT OF MANAGING</b>		



	<b>AGENT</b>		
	<p>Mr. Pillay stated that there should also be a vote on the managing agents of the estate as to whether continue with them or find alternatives.</p> <p>The directors informed the meeting that in terms of the MOI, the decision to appoint the managing agent rests solely in the Board of Directors.</p>		
<b>11</b>	<b>GENERAL</b>		
	<p>In conclusion appreciation was expressed to the Board for cost control and a good financial year end figures.</p> <p>Mr. Blythe-Wood stated it is a goal to resolve the issues with the 2 owners.</p> <p>Mr Blythe-Wood thanked his fellow board members, also the majority members who complied throughout the year and Status Mark.</p> <p>The meeting adjourned at 12H12</p> <p>Distribution: Minutes book All owners</p>		