



# 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 18<sup>TH</sup> ANNUAL GENERAL MEETING OF THE MOSSEL BAY GOLF ESTATE HOME OWNERS ASSOCIATION THAT WAS HELD ON WEDNESDAY 23 DECEMBER 2015 AT 10H00 IN THE DUTCH REFORMED CHURCH HALL, 17<sup>TH</sup> AVENUE, MOSSEL BAY

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| <b>1</b>  | <b><u>OPENING &amp; WELCOME:</u></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><u>ATTENDANCE PROXIES AND APOLOGIES:</u></b>   |  |
|           | 86 Owners as per the attendance register.<br>31 Proxies   |  |
|           | A legal Quorum was obtained.  |  |
|           | Status Mark: Messrs WCE Prinsloo, S Koen & J Stander  |  |
|           | <b><u>Apologies:</u></b><br>C van der Zee<br>G Visser<br>B Nortje<br>A Geldenhuys<br>A Stilwell<br>LD Brooks  |  |
| <b>3</b>  | <b><u>APPROVAL OF THE PREVIOUS MINUTES &amp; MATTERS ARISING:</u></b>   |  |
|           | <p>The chairman upfront explained that the previous AGM of 11 December 2014 at the time was delayed by 30 minutes in order to obtain promised proxies. He elaborated upon a possibility that the 2014 AGM was not constitutional, as the required proxies to form a legal quorum was not handed in timeously. Messrs M Smith and Rossel gave background, thus confirming the 14 late proxies. The chairman made a decision at the time in good faith to proceed with the 2014 meeting.</p> <p>Mr Moll nevertheless objected that the AGM was unconstitutional and therefore the subject minutes cannot be accepted. The chairman responded that according to clause 29.6 of the MOI, no objection was made by close of the particular meeting and therefore the constitution of the meeting is considered valid.</p> <p>Mr J Swartz stated that the BOD (directors) acted in the best interest of all homeowners and did nothing malicious. There is no need to conduct an investigation and to spend funds unnecessarily on legal fees. Mr J Swartz proposed that the meeting vote by show of hands to accept and ratify for the minutes of the 2014 AGM. Mrs E Van Niekerk seconded the proposal. A vote was summarily taken.</p> <p>In favor: 67 Against:18 Abstain: 6</p> <p>The minutes of the AGM of 11<sup>th</sup> December 2014 were thus approved, however with the following amendments:</p> |  |

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|          | Item 2 to read: Approval was given at the AGM of 23 <sup>rd</sup> December 2015".   |  |
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| <b>4</b> | <b><u>ELECTION OF DIRECTORS:</u></b>  |  |
|          | <p>As the amended MOI was registered on 16 February 2015, and thus clause 16.1 will be applied to the election of directors. Two directors were required to retire from office, therefore two vacancies exist on the Board. Two nominations were received within the specified time.</p> <p>Mr G Smith &amp; Dr Griesel are elected as Board members.<br/>The following Board members will remain on the Board: Messrs J Blythe-Wood, K Otto, J P Snyman, M Smith &amp; P Venter.</p>   |  |
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| <b>5</b> | <b><u>CHAIRMAN'S REPORT</u></b>   |  |
|          | <p>The written report was circulated prior to the meeting and updated and approved at the Annual General meeting.<br/>The following matters were highlighted by the Chairman:</p> <p><b><u>Security:</u></b> Mr Pieter Venter is the current Chairman of the Security Portfolio. The Estate was targeted in the past month by 1 or 2 persons who broke into vehicles. It is suspected that these persons are the same people who were responsible for the housebreakings on the Estate 2 years ago. A place was identified at the Schoeman's Street electrified fence where the suspects gained entrance underneath the fence. The fence has been rectified.</p> <p>Mr Venter commented that between 200-250 vehicles are parked outside garages during the night. The vehicles are inspected two times per night by the armed response. Suiderkruis Security keeps record of all vehicles, vehicles registration numbers and description of vehicles.</p> <p>Mr Venter stated the HOA is, security wise, much better than in the past and that security starts with all the home owners.</p> <p>The chairman stated that Mr Venter's job is very difficult. Suiderkruis Security is manageable.</p> <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. Persons living on the estate know there are Rules, but are disregarding them. Many home owners ask the Directors to change the Rules, but the Rules can't be changed to keep one home owner happy when there are 394 home owners on the estate. Clause 41 of the MOI provide for the application of penalties when Rules are transgressed.</p> <p>The chairman thanked Dr Griesel for his effort and commitment.</p> <p><b><u>Architectural Review Board:</u></b> Mr G Smith is the Chairman of the ARB portfolio.<br/>Sales on vacant erven on the Estate are picking up. In 2012 the total undeveloped properties on the estate amounted to 77 of which 31 are left. The Obligation to</p> |  |

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|   | <p>build penalty has had the desired effect as members are building houses on the vacant erven.</p> <p>The chairman stated that the obligation to build penalties will be applied as listed in the Chairman`s report.</p> <p>Mr Moll objected to the obligation to build penalties and stated that the penalties are in his opinion not legal.</p> <p>Mr Fischer stated that in his opinion the obligation to build penalties is not legal.</p> <p>The chairman stated that the matter with Mr Moll regarding the obligation to build penalties is <i>sub judice</i> and cannot be discussed in open forum. The matter is scheduled for arbitration and therefore the legality of the obligation to build penalties can't be discussed. The Directors must apply penalties as stated in clause 40.6 of the MOI.</p> <p>The meeting voted by show of hands on the recommended application of obligation to build penalties as Messrs Moll and Fischer objected.</p> <p>This was proposed by Mr J Collins and seconded by Mr D Schulze.</p> <p><b>In favour: 46                      Against: 32                      Abstain: 8</b></p> <p>Thus the obligation to build penalties were approved.</p> <p><b><u>Marketing:</u></b> Mr M Smith assumed responsibility for the Marketing Portfolio. Two successful home owner Golf Days have been held during the past year. A donation of R25 000 was made towards the ACVV from funds which was generated out of the Golf Day on 6 December 2015.</p> <p>A letter of thanks was received from the Golf Club Chairman for the successful Golf Day that was held.</p> <p>The chairman thanked Mr M Smith and Dr Griesel for the successful Golf Days which were held.</p> <p><b><u>Finance:</u></b> Mr Snyman who is not present at the AGM is the Chairman of the Finance Portfolio. If there are any questions regarding the financial statements, members are welcome to contact Mr Snyman. Please contact Status Mark for his number.</p> <p>Mr Blythe-Wood stated that the surplus funds of R1 474 768 million is invested at Allan Gray. After all construction on the estate is finished, funds will be needed to upgrade the roads.</p> <p>Mr Moll stated that the note on contingent liabilities refer to one owner that is in dispute, but there are more than one owner in dispute.</p> <p>A question was posed by Mr Moll as to whether the obligation to build penalties are part of the operating profit or not. Mr Blythe-Wood remarked that the HOA is still in a profitable situation apart from the obligation to build penalties.</p> <p>Mrs E Van Niekerk thanked Mr Snyman for the manner in which he managed the finances of the HOA.</p> <p><b><u>Environment:</u></b> Mr Blythe-Wood is Chairman of the Environment Portfolio. Budgeted funds were not spent on the environment as the focus was more on maintenance. It is difficult to get hold of persons who is willing to climb down cliffs to cut the "rooibossie". The nature reserve look very good.</p> |  |
| 6 | <p><b><u>PETS:</u></b></p> <p><b><u>Ordinary resolution 1</u></b></p>   |  |
|   | <p><b>Withdrawn: The Directors of the HOA will effectively manage and apply the existing Conduct Rules and House</b></p>  |  |

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|  | <b>Rules more strictly and consistently.</b>   |  |  |
|  | <p>Mr G Smith stated that an escalation on pets is visible on the estate. Some owners are pet lovers while others are nature lovers and a balance must be maintained. A lot of home owners bought on the estate because of the nature reserve and to not hear barking dogs. Many golfers also complained about disturbance. The SPCA on many occasions has had to catch stray dogs and cats. In addition many home owners don't carry poop-scoops to clean after their pets. The aim of the resolution is not to prohibited pets, but to apply stricter control over future application.</p> <p>Mr Rehr posed a question on why 2 dogs and a cat can't be allowed when an erf is fenced and the pets is not a danger to the wild animals or disturbing to the neighbours.</p> <p>Mr J Kruger commented that he is a new owner on the estate and have his animals for many years. It is difficult to get rid of pets when you have them for a long time. The Rules sub-committee must look into the size of the erf and fencing of the property when considering application for pets.</p> <p>Mr P Conradie commented that home owners must fence their properties for the keeping of animals. The estate won't look like a nature reserve anymore if properties is fenced. Owners who buy on the estate must read the Conduct Rules and House Rules. The High Court decided in favour of the HOA in cases where the owner know what the Conduct Rules stipulate about the keeping of pets and the owner is in breach.</p> <p>Mr Ehrensperger posed the question that the HOA Directors must investigate the matter and don't approve applications for the keeping of animals left and right.</p> <p>Mr Vorster remarked that he finds the aggression towards the HOA Board about the pets more the same as for the Moll matter. The HOA Board must be seen as friends of the home owners who manage the Estate on behalf of all owners and needs to be thanked for their efforts. Rules for pets must be set on the same principle as for the Obligation to Build penalties. A date such as 31 December 2025 should be set so that the Estate can become pet-free within the next 10 years.</p> <p>Mr Schulze suggested that penalties must be applied for 1<sup>st</sup> and 2<sup>nd</sup> transgressions and thereafter the approval for the pet must be withdrawn.</p> <p>Dr Bruwer commented that approval was granted to a number of houses on the estate for the keeping of animals. Yet there are a lot of members who didn't obtain approval for the keeping of an animal. Visitors are bringing animals onto the estate which is not allowed. The Conduct Rules must be applied strictly by the HOA Directors in cooperation with Status Mark.</p> <p>Mr Rehr stated that some owners have more than one dog. The Conduct Rules must be applied more consistently.</p> <p>Mr M Smith commented that there is no need for an ordinary resolution. The rule already exist and must be applied more strictly. The HOA Board must decide on animal applications and can refuse an application if there is too many animals.</p> <p>Mr De Jager commented that he is concerned that placing a moratorium on future approval of pets will influence the market</p> |  |  |

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|            | <p>value of his property. Owners who want a sterile environment should go and stay in old age homes. The home owners will support the HOA Directors when rules are applied consistently. Consistency bothers him with the approval of the house at erf 21134. Please enforce rules.</p> <p>Mr Moll commented that he agrees with Mr De Jager on the consistent applying of rules.</p> <p>Mr J Alexander commented that owners who are not carrying poop scoops must be fined.</p><br><p>Mr G Smith withdrew ordinary resolution 1 with the proviso that the Directors of the HOA will in future effectively manage and apply the existing Conduct Rules and House Rules more strictly and consistently.</p>  |                    |  |
| <b>7</b>   | <b><u>Ordinary Resolution No2 (Financial Statements)</u></b>   |                    |  |
| <b>7.1</b> | <p>Consideration and Approval of Financial Statements as presented:<br/>The financial statements were audited by independent auditors. The Financial statements show a surplus of R550 384.00 for the year 2014/2015.<br/>A question was posed by Mr Moll as to why penalties was impose by SARS. The chairman remarked that the accountants for the HOA did register a complaint at SARS regarding the penalties.<br/>The financial statements were approved by the meeting.<br/><b>Proposed:</b> Dr A Bruwer                               <b>Seconded:</b> Mr J Swartz</p>  |                    |  |
|            | <b>In favour: 87</b>   | <b>Abstain: 30</b> |  |
|            | <i>ORDINARY RESOLUTION 2 MUST BE ACCEPTED BY A MAJORITY VOTE, THEREFORE ORDINARY RESOLUTION 2 WAS ACCEPTED</i>   |                    |  |
| <b>7.2</b> | <b><u>Ordinary Resolution No 3 (Budget)</u></b>  |                    |  |
|            | <p>The budget for 2016/2017 was tabled.<br/>The budget estimates for the ensuing financial year were circulated prior to the Annual General Meeting.<br/>Mr Moll raised the question on why an amount for the roads was not budgeted for. The chairman remarked that enough funds are carried in the Allan Gray Road Fund investment account which can be utilized if needed. R1000-00 is also kept from every R10 000 builders deposit for the Road Fund.<br/>Mr WCE Prinsloo commented that R22 500 was spend on road repairs during the previous financial year. The budgeted amount for roads is grouped under maintenance. The amount budgeted for roads will be grouped separately in the next financial year`s budget.<br/>The budget were approved by the meeting.<br/><b>Proposed:</b> Mrs E Van Niekerk                               <b>Seconded:</b> Mr J Swartz</p> |                    |  |
|            | <b>In Favour: 88</b>   | <b>Abstain: 29</b> |  |
|            | <i>ORDINARY RESOLUTION 3 MUST BE ACCEPTED BY A MAJORITY VOTE, THEREFORE ORDINARY RESOLUTION 3 WAS ACCEPTED.</i>  |                    |  |
| <b>8</b>   | <b><u>Ordinary Resolution No 4 ( Appointment of Auditors)</u></b>  |                    |  |
| <b>8.1</b> | <p>Jean Pretorius was appointed as Auditor for the ensuing year.<br/><b>Proposed:</b> Mr Vorster                               <b>Seconded:</b> Mr M Fryer</p>   |                    |  |
|            | <b>In favour: 87</b>   | <b>Abstain: 30</b> |  |
|            | <i>ORDINARY RESOLUTION 4 MUST BE ACCEPTED BY A MAJORITY VOTE, THEREFORE ORDINARY RESOLUTION 4 WAS ACCEPTED</i>   |                    |  |
| <b>8.2</b> | <b><u>Ordinary Resolution No 5 (Auditors Remuneration)</u></b>   |                    |  |

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|             | <b>Proposed:</b> Mr H Coertse   | <b>Seconded:</b> Mrs E Van Niekerk |  |  |
|             | <b><i>In Favour: 85</i></b>   | <b><i>Abstain: 32</i></b>          |  |  |
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| <b>9</b>    | <b>Traffic Rules – Mr E Potgieter</b>   |                                    |  |  |
|             | <p>Mr Potgieter explained his frustration with motorist on the estate who don't care about the speed limit. The exit of his house is much hidden. Residents on the estate allow minor children to drive vehicles without a driver's licence with the adult behind the child. The HOA Directors are requested to apply the rules for the speed limit very strictly. Serious policing must be conducted and immediate action taken against the transgressors of conduct rules. The chairman remarked that 1 of 20 motorist stop at the stop of the Silene Drive and Maranatha Drive crossing. Dr Griesel did a lot of home work on measurements for the controlling of speed on the estate. The Municipality and Traffic Departments were contacted but without any results.</p> <p>Dr Bruwer commented that cameras must be implemented and speedsters fine at least R5000-00 for first time transgressions. The HOA Board must do something.</p> <p>Mr J Alexander posed a question on why concrete was placed across the corners for residents, because it encourages speeding. The HOA Board should make the roads on the estate to stop residents from speeding.</p> <p>Mr M Smith remarked that the concrete corners was constructed for turning circles of construction vehicles and to prevent the trucks from damaging the roads on the estate.</p> <p>Mr Ehrensperger requested that all owners must get a new copy of the conduct rules, especially the tenants.</p> <p>The chairman remarked that a procedure is in place that tenants sign the rules. The Conduct Rules and MOI is available on the website.</p> |                                    |  |  |
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| <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 MOLL – OBLIGATION TO BUILD</b>  |                                    |  |  |
|             | <p>Mr Moll asked to address the meeting on the obligation to build matter. Mr I Janse Van Rensburg proposed that Mr Moll submit a proposal to the HOA Board in writing on the matter. Mr D Schulze seconded the proposal.</p> <p>The chairman commented that the matter which was ongoing for 3 years now, cannot be discussed in open forum because it is sub judice. Notice have already be given to Mr Moll for arbitration. Mr Moll commented that in his opinion the matter is not sub judice because the arbitration process has not yet started. The chairman stated that Mr Moll has been advised of the start of the process therefore it is sub judice.</p>   |                                    |  |  |
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| <b>11</b>   | <b>GENERAL</b>  |                                    |  |  |
| <b>11.1</b> | <b>MR JIM ALEXANDER – NAMELIST OF SHORT-TERM ACCOMMODATION ESTABLISHMENTS</b>   |                                    |  |  |
|             | <p>Mr Alexander expressed his concern on when information is previlged or not. A list is requested of all registered short-term accommodation establishments.</p>   |                                    |  |  |

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|  | <p>The chairman commented that because of PAIA, the HOA is very conservative about giving out private information of home owners. The matter will be referred to the HOA Board for approval.</p> <p>Mr Moll commented that according to the MOI a register of books must be kept open for inspections. A little while ago a email was distrubited from the concerned members group.</p> <p>The chairman commented that the concerned members group directly related to the Golf Club and were not part of the HOA.</p> |  |  |
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|  | <p>In conclusion appreciation was expressed to the Board for cost control and a good financial year end figures.</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 12H15</p> <p>Distribution: Minutes book<br/>All owners</p>  |  |  |

APPROVED AT AGM 8 DECEMBER 2016