

**7. PRESENTATION OF THE MINUTES OF THE SPECIAL GENERAL MEETING HELD ON 26 AUGUST 2016
Ordinary Resolution No. 1**

Resolved that:

The Minutes of the Special General Meeting of the Company held on 26 August 2016 be, and are hereby, accepted subject to the amendment that reference to Mr J Greaves indicated on Page 9 should refer to Mr P Greaves.

Proposed: Ms L van Staden

Seconded: Ms J Bruchez

**8. MATTERS ARISING FROM THE MINUTES OF THE ANNUAL GENERAL MEETING HELD ON 26 AUGUST 2016
AND FROM THE MINUTES OF THE SPECIAL GENERAL MEETING HELD ON 26 AUGUST 2016**

It was agreed that the sale of the resort would be addressed under Agenda Item 20.

9. PRESENTATION OF CHAIRMAN'S REPORT AND THE SOCIAL AND ETHICS COMMITTEE REPORT

It was unanimously agreed that the Chairman's report and the Social and Ethics Committee Report, having been circulated, be taken as read.

10. PRESENTATION OF AUDITED ANNUAL FINANCIAL STATEMENTS, TOGETHER WITH THE DIRECTORS' REPORT, THE AUDITOR'S REPORT AND THE AUDIT COMMITTEE REPORT, IN RESPECT OF THE YEAR ENDED 28 FEBRUARY 2017

Mr J J Jordaan pointed out that the Statement of Financial Position reflected healthy reserves of R3.2 million, and noted that maintenance and improvements continue to be carried out, notwithstanding the pending sale of the resort. Mr P Greaves commented that the general manager and his wife have done an outstanding job of managing the resort.

Ordinary Resolution No. 2

Resolved that:

The Audited Financial Statements, together with the reports of the Directors, Auditors and Audit Committee, in respect of the year ended 28 February 2017 be, and are hereby, accepted.

Proposed: Mr P Greaves

Seconded: Ms J Bruchez

**11. APPROVAL OF AUDITOR'S REMUNERATION
Ordinary Resolution No. 3**

Resolved that:

Payment of the Auditor's remuneration in the sum of R35,900 for the year ending 28 February 2017 be, and is hereby approved.

Proposed: Mr R Johnson

Seconded: Mr D Jones

**12. APPOINTMENT OF AUDITORS FOR THE FINANCIAL YEAR ENDING 28 FEBRUARY 2018
Ordinary Resolution No. 4**

Resolved that:

Moore Stephens CJL be, and are hereby, appointed to serve as the Auditors of the Company for the financial year ending 28 February 2018.

**13. DETERMINE THE NUMBER OF DIRECTORS FOR THE ENSUING YEAR
Ordinary Resolution No. 5**

It was noted that in terms of the Memorandum of Incorporation, the Chairman will have a casting vote.

Resolved that:

The number of Directors to serve on the Board for the ensuing year be fixed at 4 (four).

14. ELECTION OF DIRECTORS

The resignation of Mr R Johnson was noted. Ms F L van Staden retired by rotation but is available for re-election together with any other nominations which may have been received. A nomination was received for Ms F L van Staden.

Ordinary Resolution No. 6

Resolved that:

The election of Ms FL van Staden be accepted.

Further Resolved that:

M F L van Staden be, and is hereby, elected as a Director of the Company and shall serve as such upon delivery to the Company of her consent in writing to do so.

The Directors serving the Company for the ensuing year will be Mr H M Adams, Ms F L van Staden, Mr S E Lamont, and Mr D Jones.

Proposed: Mr P Greaves

Seconded: Mr Burger

15. APPOINTMENT OF AUDIT COMMITTEE

Ordinary Resolution No. 7

Resolved that:

Mr H M Adams, Mr S E Lamont and Mr D R Jones be, and are hereby, elected as Members of the Company's Audit Committee for the ensuing year.

16. PRESENTATION AND ACCEPTANCE OF INSURANCE VALUES, SUBJECT TO ANY AMENDMENT

Mr J J Jordaan stated that the insured value, as examined by a loss adjuster, is the value, in the event of a catastrophe, for the total replacement cost of the buildings. Mr J J Jordaan pointed out that the public liability cover is actually R100 million and not R50 million as indicated in the insurance cover schedule. In addition, the updated motor vehicle cover has been reduced, which is not reflected on the schedule. The cover correlates with "book value". Building cover is approximately R2 million per unit.

Ordinary Resolution No 8

Resolved that:

The Schedule of Insurance Values be, and is hereby accepted.

17. PRESENTATION AND ACCEPTANCE OF THE ESTIMATE OF INCOME AND EXPENDITURE IN RESPECT OF THE YEAR ENDING 28 FEBRUARY 2019

Mr J J Jordaan explained that the income and expenditure was calculated with a view to the resort operating throughout 2018/2019 irrespective of the pending sale of the resort, whilst simultaneously providing for a healthy replacement reserve.

Ordinary Resolution No 9

Resolved that:

The estimate of Income and Expenditure for the year ending 28 February 2019 be, and is hereby, accepted. The levy increase was approved at 4% effective 1 March 2018.

18. INTEREST RATE CHARGED ON ARREAR LEVIES

Ordinary Resolution No 10

Resolved that:

The interest rate on arrear levies be set at 2% per month.

19. APPROVAL OF DIRECTORS' REMUNERATION (*In terms of Section 66(9) of the Companies Act, the remuneration of the Directors must be approved by a Special Resolution of Members*)

Special Resolution No. 1

Resolved that:

For the ensuing financial year ending 28 February 2019, Directors are to receive an increase in remuneration equivalent to the annual levy increase in addition to reimbursement of travel costs incurred.

20. GENERAL

Update on the sale of the resort

Mr J J Jordaan drew attention to correspondence dated 6 June 2016, 13 June 2016 and 23 December 2016 which had been circulated to owners. In summary, these letters explain the procedures which would take place and actions to be taken going forward. The original plan was to put the property on auction for a minimum price of R25 million. Should the property not be sold on auction then the next step would be to sell units individually by auction. This did not materialise, as no buyers came forward. The process for selling individual units requires the owner, being a Share Block Company, to convert the resort to a sectional title scheme. This, in itself, has required, as plans of the property were non-existent, for a surveyor to

redraft the plans for the application for the opening of a sectional title register. Unfortunately, due to a zoning query from the Department of Agriculture and Forestry, the Managing Agent had to resubmit the draft plans for approval by the Municipality. It is anticipated that the plans should be approved at the end of September. Once the “as built” plans are approved, the Managing Agent will have to re-submit the plans to the Surveyor General for approval. It is anticipated that the plans will be approved by the end of October. These will then have to be approved by the Companies and Intellectual Property Commission (CIPC). Upon approval by CIPC the process for the opening of the sectional title register will proceed. At this stage, a meeting would be held to inform owners that the process for the sale of individual units is in place and that a decision would need to be taken for the sale of individual units by estate agents, with owners being given first option to purchase. Mr J J Jordaan pointed out that unsold units would still be available for shareholders and clubs for occupation until all the units are sold. This situation provides for the resort to be run as “a mixed use” resort, comprising permanent tenants and timeshare members.

The meeting raised various points, including

- Estate Agent’s commission and selling price of individual units, which would be assessed by the Board and the Managing Agent;
- The Clubs, being the majority shareholders and main contributor to levies, have stated that the units will not be sold off at a “ridiculous” price;
- The meeting acknowledged the changes to the new Sectional Title Schemes Management Act which provides for a ten-year maintenance plan as well as management and conduct rules for the scheme. The Chairman confirmed that the Managing Agent and the Board were completely *au fait* with all the changes recently promulgated for Sectional Title Schemes;
- Mr J J Jordaan reminded the meeting that approximately ten years ago the Lands Claim Commission had contacted him regarding a claim. Mr J J Jordaan produced an Offer to Purchase to the Commissioner at the time. Nothing has been heard further from the Claims Commission.
- Mr J J Jordaan reported that no incidents of crime had been experienced at the resort this past year.
- Mr P Greaves referred to his agreement of sale, which is some thirty years old. Mr P Greaves stated that, in his opinion, an existing contract cannot be changed unless both parties agree. Mr P Greaves quoted “Clause 5.4 : The Seller does not propose opening a Sectional Title Register. Clause 12.5: No application is to be made under the Sectional Titles Act.” Mr H M Adams stated that the sale agreement is between an owner and a seller. The Use Agreement is between the owner and the Company. When the new Companies Act was established, the Use Agreement was made part of the Memorandum of Incorporation and in terms of the Companies Act, the Memorandum of Incorporation can be amended, including the Use Agreement. Mr J J Jordaan advised that as the required 75% of members present was not realised at the meeting held in 5 May 2016, the decision to sell the resort was not taken. Subsequent to that, and after further communication, the required vote was obtained to pass the necessary resolutions. Mr Jordaan commented that owners are included in the process so as to ensure that everyone is happy with decisions made.
- M J J Jordaan advised that should a unit be sold and an owner wishes to utilise his week in the sold unit, then the owner would have to be accommodated in a unit which is available.
- The conversion from Share Block to a Sectional Title Scheme provides for a levy for common property. Levies for servicing and the maintenance of the interior of units fall away. A proposed budget is examined by the Trustees nominated at the first Body Corporate meeting.
- It was noted that a decision will need to be made regarding distribution of funds realised from the sale of units. The funds could either be disbursed once all the units have been sold or disbursed as and when individual units are sold. Mr P Greaves pointed out that pensioners may not be prepared to wait for a disbursement once all the units are sold. It was noted that this would have to be considered at an Annual General Meeting or at a Special General Meeting.
- Mr P Greaves advised that he had visited several resorts to ascertain which one he and his wife would be interested in, only to be told that he would have to contact the Pinetown office in this regard.
- Mr P Greaves advised that he had received an onerous email from First Group stating that “an authorisation to occupy form must be received by First Group Reservation Team at least 180 days before occupation. No telephonic authorisation can be accepted. Any person attempt to occupy who is not an owner, must obtain written authorisation from the owner, or would be denied access”. Mr J J Jordaan

explained that this letter is a standard letter which has been circulated over a number of years. Owners are requested to advise First Group as to their intentions, so that, in the event of an owner not being able to occupy their week, then the week can be rented out for the financial benefit of the owner. If an owner is not going to occupy it merely takes an authorisation from the owner to First Group advising First Group that a third party would be occupying the unit instead. Mr P Greaves suggested that this be incorporated as a system-driven request. Ms F L van Staden explained that the tone of the letter was aggressive and this is the reason why owners had complained.

There being no further business, the Chairman thanked everyone for their attendance and participation, thanked the Board for their hard work and the Managing Agents for their input and closed the meeting.

Read and confirmed this _____ day of _____

CHAIRMAN