HOME OWNERS ASSOCIATION, ATLANTIC SANDS & SHORES, LAAIPLEK
MINUTES OF THE TWELFTH ANNUAL GENERAL MEETING, HELD AT THE NG CHURCH HALL, ON 6 MAY 2023

1. WELCOME

The Chair person, Paul Naude, welcomes everybody present and thanked them for making the time available to attend the meeting.

2. ATTENDANCE REGISTER

The attendance register was signed by all owners present in person or by proxy. The register is kept on record for future reference.

Owners representing 51 individual properties were present in person and the Investor represents 152 erven. 34 Proxies were received.

3. PROXIES AND APOLOGIES

The proxies and apologies received are recorded on the attendance register.
Two apologies were received from G Kulsen and F de Villiers

4. QUORUM

The owners present in person and proxies received represent a quorum and the meeting was duly constituted.

5. NOTICE

The notice is taken as received and read by all owners present.

6. APPROVAL OF THE PREVIOUS MINUTES

E Joubert queried they correctness of the minutes:

- His question regarding the affordability of the Estate Manger was not recorded
- His question regarding the rules governing the HOA was not dealt with
- He requested that management must start to do things right at Atlantic was not recorded
- The status of Atlantic was changed from a security estate to a private estate, it was not recorded appropriately.

Except for the items recorded above, the minutes of the annual general meeting held on 7 May 2022 are approved as a true reflection of the discussions and decisions at the meeting. A Visser proposed, and J Dippenaar seconded the approval of the minutes.

7. MATTERS ARISING FROM THE PREVIOUS MINUTES

7.1 Estate management office

The need for an estate management office and storeroom was raised at the previous AGM.

The trustees have identified three options to provide these facilities:

Option 1

- Purchase erf 4397 next to the entrance at South from Vestbest at a reduced price of R350000.00. The purchase price can be paid R200000.00 cash and the balance can be credited to their levies

  The HOA then have a suitable erf available and can build up funds to finance the building in future.

  At present the garden tools are stored in the Estate Manager's garage. Managing agent advised that all the pesticide and weed killer must be locked away for safety reasons. At present it is stored in the unused guard house at South.

  If this route is followed then the levies payable on this erf will be apportioned between all the other owners, currently approximately R0.70 per erf, if all 592 erven are sold.

Option 2

- The HOA approach the Bergrivier Municipality for permission to build the facilities on one of the POS erven.

  The benefit is that no purchase price for an erf will be payable, but the disadvantage is that all these erven are deeper into the estate and not easily accessible to the public, should they have to visit the office. It might also be necessary to rezone the land or to revise the conditions of approval (ROD) of the development.

Option 3

- Approach the Municipality to extend the two guardhouses at south and north, which are built on municipal land, to provide a store room and an office.

The matter of the cost to build these facilities, serving South, North and Shores, were raised.

The chairperson advised that once it is known which option is decided on, a detailed cost proposal will be submitted at a general meeting.

It was resolved that the Managing Agent must approach the Municipality for permission to extend the two guard houses at South and North.

7.2 Electrified fence South

Pursuant to a request from owners at South that an electric fence be installed on top of the palisade fence, the Estate Manager obtained a budget price of approximately R300000.00.

The matter of compliance with regulations, COC, affordability, a maintenance contract, etc. were discussed. Owners require that the installation must be safe.

It was resolved that the trustees must get quotations for the work including a COC issued by a competent person. This will be funded out of the HOA's reserve fund.

Once the quotations ae available the approval process in terms of the procurement policy will be followed.

Mr du Toit, erf 4447, offered his services to assist with drawing up a specification.

7.3 Main road speed limit

The chairperson reported that the speed limit on the provincial road is a major concern. Feedback from the Provincial Traffic Department indicated the speed limit will be reduced and new traffic signs were purchased. We are awaiting installation of the traffic signs.They undertook to enforce the speed limit.

The chairperson advised if no signs have been erected by the end of July, the HOA will purchase the signs and install it.

7.4 Procurement policy

The procurement policy approved by the trustees was sent out to all owners prior to the meeting.

E Joubert expressed his concern that the policy was not adhered to when the flags were installed. The flags have subsequently been removed due to wind damage, trustees are incurring expenses for which they have no mandate.

The chairperson advised that the trustees are appointed by the owners to act on their behalf, but the comment is noted.

8. CHAIR PERSON'S REPORT

The report will be distributed to all owners with the minutes of the meeting.

The chairperson discussed some of the items in more detail and the following items were highlighted:

- Fibre

  Why does Herotel have the monopoly? They are expensive and owners want the freedom to contract with any other service provider.

  The chairperson replied that Herotel was appointed by the Municipality and Herotel have carried the cost to provide the infrastructure, they require exclusivity in order to recover their cost.

  It was requested that the trustees must try and open up the service to other parties but the Chairperson said no additional fibre cables will installed in the estate.

- Number streetlamp posts

Wikus Hattingh suggested that street lamp posts be numbered. Then an owner can report the number of the post where the light is not working, it will be easier for the

contractor to do repairs.

- Civil services maintenance

  The chairperson confirmed that the Municipality is responsible for the maintenance of the water reticulation, sewer pumps and electrical network. The HOA is responsible for the maintenance of the roads and street lights.

- Back-up power for gates and electric fence

  It was decided that the trustees must get proposals and quotations for back-up power for the gates and electric fence, it must be able to accommodate long periods of load shedding and be compliant with all local authority and other institutional regulations.

  Mr du Toit, erf 4447 and mr Smuts, erf 4563 offer their services to assist with the specifications, etc.

- Estate rules and constitution

  It was suggested that the estate rules and constitution be revised to reflect owners' requirements. Managing agent will send out the constitution and estate rules to all owners, they must submit their proposed amendments to the Managing agent, the trustees will consolidate all input into one document which must be approved by owners at a general meeting.

  Once approved by the owners it must be submitted to the Begrivier Municipality for their approval and stamp (constitution only, not the estate rules).

  The target is to finalise the documents and to have it approved at a special general meeting towards end August 2023.

9. FINANCIAL STATEMENTS

The audited financial statements for the period ending 28 February 2023 were distributed to all owners.
Managing agent reported that various owners have been handed over for collection, but the legal process to get a court order against an owner is time consuming.
MA advised the amount of R145000.00 had been collected the past financial year in respect Damages fee (formerly kerb fee). The total amount collected to date is R225000.00 and it forms part of the HOA's cash reserves.
The total cash of R2 529 515.00 at 28 February 2023 includes an amount of R386000.00 in respect of refundable builder's deposits.
The financial statements were approved as proposed by J Dippenaar and seconded by W de Beer.

10. LEVY AND EXPENSE BUDGET
The budget approved in principle by the trustees and distributed to all owners was discussed.

E Joubert expressed his concern about the actual maintenance expenses exceeding the budget in the past year. The budget should reflect all planned maintenance expenses for the year.
The Chairperson explained that various expenses were funded out of the ordinary cash flow instead of withdrawing funds from the investment account which incurs interest. He agrees that funds must be spent wisely in order to contain future increases in levies.
Managing agent advised that with every erf sold by the investor the full monthly levy is collected from the new owner. It will increase the levy income above the budgeted amount.
The financial statements were approved, proposed by J Dippenaar and seconded G Harrod.

The current levy payable is R403.00 per erf for individual owners and R163.00 per for the investor.

11. INSURANCE
The infrastructure is insured for R7 960 000.00.00 and it was decided to keep the amount unchanged for the current financial year.

It was approved that Fidelity Fund and Computer Fraud cover should be R 3,2 million.

12. AUDITORS.

Theron du Plessis Inc. is appointed as auditors for the 2023/2024 financial year.

13. DOMICILLIUM OF THE HOA

It was decided that the auditor's address will be taken as the domicilium, namely:
Theron du Plessis Inc.
Buena Vista office park
Cnr Durban and Kendal Road,
Durbanville
7550

14. APPOINTMENT OF MANAGING AGENT & LEVY CLEARANCE

The managing agent is appointed by the trustees and the appointment of Devman Props CC, trading as Propex Property Services is recorded.
It is approved that H. Truter and M. Terblanche from the managing agent's office are authorised to sign all documentation pertaining to the Consent to Transfer and bond waiver when a property is sold.

15. LEVY COLLECTION POLICY AND INTEREST RATE CHARGED ON LEVIES IN ARREARS

The levy collection policy and interest rate charged on arrear levies are approved as follows:

The monthly levy is payable in advance at the beginning of a month for that specific month.
A levy statement is issued to all owners each month.
Accounts outstanding for thirty days are being followed up and if still unpaid at sixty days a final demand is sent out. If the amount is not paid within the time period set in the final

demand, the account is handed over for collection and all cost is for the account of the owner.
Interest at 15,5% per annum will be debited on all levies outstanding for 30 days and longer.

16. DUET HOUSE/SECTIONAL TITLE HOUSES ON ONE ERF

The owner of erf 4398/4400 requested permission to build a duet house on his erven. In effect it means two units on the erf, which will have to be sectionalised if it is owned by two different owners.
Renier addressed the meeting and said he is an architect and he has done a similar development elsewhere. It will look like one house not two units.
Owners require that if it is approved:

- A levy for each unit must be paid
- The building must be aesthetically appeasing
- If sectionalised then it must comply with the HOA constitution and rules
- If the use of the land must be amended then all affected owners/parties must give their input/approval

An objection against the proposal is that:

- it will lead to more residents and traffic
- If let as Air B&B there is no on-site management and there is nobody to control the behaviour of tenants.

Managing agent explained that the sectional title concept can fit in with the HOA, but they must have their own management and conduct rules as per the Sectional Titles Act.
The chairperson asked that owners indicate their opinion about the proposal. The majority of owners voted against it by a show of hands.
The chairperson advised if Renier wants to pursue this he must submit plans to the trustees, together with the procedures to be followed to get all necessary approvals. Then it can be submitted to the next general meeting.

17. HOLIDAY AND SHORT TERM LETTING

The chairperson reported that holiday and short term letting causes some problems, but it is not regulated in terms of the current constitution and it cannot be excluded.
Holiday rentals lead to lots of problems; access to unwanted residents is a risk; holiday tenants tend to ignore rules and regulations; there is no on-site management to control tenants; security is compromised.
If you rent out a granny flat on your property you are on site to control the tenant's behaviour.
In the deliberations it became clear that some owners bought/built their houses to rent out to holiday makers.
Resident owners on the other hand do not want an influx of holiday makers, they have bought property in Atlantic for the peace and quiet atmosphere.
Long term letting causes less problems than short term.
Some owners do not want any short term/holiday letting, whilst others have bought properties as an investment and with the purpose of letting it out.
The chairperson suggested that the matter be put out to a vote by all owners, not only those present at the meeting. The voting will be in respect of:

- Long term letting (six months and longer)
- Short term (three to six months)

- Holiday and week end letting, including Air B&B

Managing agent will prepare and distribute the necessary documentation in this regard.

18. SECURITY

The chairperson reported that security is the biggest expense in the budget.
If the cost of the security service increases, it will definitely result in an increase in levies.
The chairperson summarised 3 potential alternatives:

- Continue with the security as is, but there will be a statutory fee increase in September 2023
- Prepare a specification to include the security service required by the HOA and put it out for quotations from various security companies
- The HOA hires staff to provide 24-hour access control at the entrances and the owners take responsibility for internal security, similar to a neighbourhood watch system

Owners are adamant they have bought into a security estate but the services are not provided, only access control.
It was resolved that the trustees must consult with security specialists in order to determine the different levels of service which can be provided, together with costs.

19. POINTS RAISED BY E JOUBERT IN AN EMAIL TO THE TRUSTEES

19.1 Ten year maintenance plan

- No plan is available.

The chairperson replied that a ten year maintenance plan is not a legal requirement for an HOA, but the trustees must ensure sufficient funds are available to provide for ordinary and major maintenance expenses.

19.2 Estate manager

- The Estate Manager was appointed for one year, has it been renewed; did the trustees have a mandate to renew the contract?

Chairperson advised that the contract was renewed for another year; in terms of the constitution the trustees are authorised to appoint the Estate Manager.

19.3 Paintwork

- What progress has been made with the paintwork of the road traffic markings as discussed at the previous AGM?

Chairperson advised the paintwork will be done this year. Other paintwork on the guard houses and perimeter walls have been completed.

19.4 Street lights

- Maintenance of street lights

Chairperson advised that the HOA is using spares available from the Municipality to maintain streetlights. If no longer available, LED or solar lights will be considered. The cost of a solar light is approximately R2500.00.
E Joubert asked if he may install a solar street light in front of his house if the HOA are not going to install any.
Chairperson suggested that owners do install solar lights on their properties in order to improve security during load shedding.

19.5 Free exit loop at South gate
- According to past trustee meeting minutes no exit loop will be installed, but there is one.
Chairperson advised it will be corrected so the gate open with a remote.

20. SPEED HUMPS
Trustee Jan Dippenaar addressed the meeting regarding requests from owners to install speed humps to reduce speeding, especially along Kwikkie, Suikerbekkie and Seeswael streets.
The cost is approximately R7000.00 to R10000.00 per speed hump and about 20 will be required.
It is a risk as children could be run over.
The question of whether builders and residents can be fined must be considered, but the chairperson asked how the speed will be monitored.
Not all owners are in favour of speed humps as it creates inconvenience and could possibly damage vehicles.
Owners were asked to vote on the matter and approximately 23 owners voted against it. Proxies were not taken into account as it was just to get a general feeling of owners present.
It was decided that the matter will be put out to a vote by all owners, not only those present at the meeting.

A plan highlighting the high risk streets will be sent out to all owners and they can then cast their vote.

21. ELECTION OF MANAGEMENT COMMITTEE
In terms of the constitution a minimum of four and a maximum of six trustees must be appointed. The investor, Vestbest, is entitled to appoint two trustees. The owners must appoint four owners' trustees.
Six owners were nominated as trustees, of which two were not present at the meeting. Owners were asked to vote, but the general opinion was that if an owner is nominated he/she should be present at the meeting.
The following owners were appointed as trustees:

Owners:
Paul Naude
Wikus de Beer
Jan Dippenaar
Gustaf Kriel

Vestbest:
Terry Wallace
Winston Ollewagen
Gary Harrod will serve as alternate if either T Wallace or W Ollewagen is not available.

22. GENERAL
22.1 Damage fee
E Joubert suggested that if the person/vehicle causing damage to the infrastructure can be identified, that party should be held responsible for repairs, irrespective of whether a damage fee has been paid. The chairperson replied that this rule is applied.

22.2 Site clearing
Owners are concerned that the “search and rescue “ process is not applied when sites are cleared for building work.

The Estate Manager must make sure that the process is followed diligently.

22.3 Free roaming dogs
Dogs may not roam freely without supervision. If the owner whose dog is roaming freely is known it must be reported to Law Enforcement as per the Estate Rules.

As there was no further business to discuss the meeting adjourned at 13h00.

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CHAIRPERSON DATE

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TRUSTEE DATE