

**MINUTES OF A MEETING OF THE DIRECTORS
OF CORMORANT BAY HOMEOWNERS ASSOCIATION
HELD ON SUNDAY, 10 FEBRUARY 2013 AT 08:00
AT LAPA, CORMORANT BAY**

1. PRESENT:

| | | |
|---------------|---|-----------------|
| Mr H du Bruyn | - | Chairman |
| Mr T van Wyk | - | Trustee |
| Mr M Butz | - | Trustee |
| Mr B Richards | - | Trustee |
| Mr B Hogan | - | Trustee |
| Mr R Smeda | - | Complex Manager |
| Mr D Drysdale | - | Managing Agent |

2. APOLOGIES:

Mr R Gingell
Mr G Rowe

3. ADDING TO THE AGENDA

1. Budget

4. CONFIRMATION OF THE PREVIOUS MINUTES

The Minutes of the Meeting held on 9 December 2012 were accepted and signed by the Chairman.

5. ESTATE MANAGER'S REPORT

ACTION

Mr Smeda advised that he had not cut the grass during the previous week as he wished the pile to lift following the heavy rains.

In discussing the roof tiles, Mr Smeda said that he only had about 20 tiles left. It had previously been discussed that if there was a shortage of tiles, the tiles would be removed from the manager's house and retile his house with a different tile.

Following the heavy rains storms unit 6 was leaking upstairs. The problem appeared to be the flashing.

RS

ACTION

6. MANAGING AGENT'S REPORT

Mr Drysdale confirmed that he had spent a number of hours with R W Irish in finalising the jetty account. An amount of R39 828,08 had been transferred to Cormorant Bay, refunding expenses that had been paid for the jetty repairs, which included the recently purchased floats. The collection of levies in the amount of R18 760,00 had been transferred to the jetty account. This left a balance in the jetty account of R63 702,29. Certain other adjustments had been made, including reversing all bank charges, which had originally been debited to Cormorant Bay, as well as the interest earned on the investment. These amounts were now directed to the jetty account. The only matter outstanding was the time spent by Mr Smeda working on the jetties, which should be debited to the jetty account. The Meeting discussed the labour issue and agreed that there should be no labour charge as Mr Smeda works for all the owners at Cormorant Bay.

The Meeting discussed the purchase of additional floats to complete the upgrade of the jetties. The Meeting agreed that Mr van Wyk should proceed with the purchase of the balance of floats needed to complete the project.

TvW

The problem with the anchor blocks was discussed as well as the introduction of poles in order to stabilize the jetties. It was agreed to start by anchoring the poles on one jetty as a trial, after which the Meeting would decide whether to proceed.

RS

The original intention to purchase a free-standing jetty to be used as a staging jetty for all owners was discussed. Mr du Bruyn suggested that because the jetty does not benefit all members, a vote should be taken at the Annual General Meeting. It was agreed to go to the Annual General Meeting and seek approval from the members.

DFD

Mr Drysdale told the Meeting that Mr Knowles' attorney had eventually written to the Body Corporate advising that the monies owed by Mr Knowles would be paid in February 2013.

ACTION

In discussing the electricity being used by the sewerage pumps, Mr Drysdale confirmed that the agreement with the Midvaal Council had still not been signed by the Council, although they had agreed in principle to pay for the electricity consumed by their pumps. The Chairman asked Mr Hogan to follow-up on the refund of electricity.

**EH/
DFD**

6. DIRECTORS REPORT-BACK

1. Gardens & Complex Management

Mr Butz advised that in the latest Agenda, there was no space to accommodate his report. The Chairman requested that he scan his hand-written report in order for Mr Smeda to undertake the work. Mr van Wyk reminded the Meeting that it had been agreed previously to include a "To Do List" which would form part of the Minutes and would be referred to from time to time.

MB

RS

Some of Mr Butz' main concerns were a number of main water stopcocks that were leaking; carport roofs that were rusting; branches to be cut away from street lights; locks missing from electrical boxes; Kreepy Krawly not working properly (he suggested that the filter sand be changed); carport problem at unit 3. The water pipe from the pump in the dam needed to be marked with buoys. The trampoline required attention. Johannesburg Gold trees to be removed and replaced with a different type of tree. Ant problem. In response to the ant problem, Mr Smeda confirmed that he was spraying regularly.

2. Harbour and Jetties

The matter regarding the ordering of new floats had been discussed previously.

3. Waterfront, Security & Electrical

Mr Richards reported that he had looked at the number of rocks remaining in the beach area but could do no more as the removal of these rocks was unmanageable. The tyres on the embankment needed to be looked at as certain areas were collapsing. The bollards had been fixed; harbour lights changed to LED globes.

ACTION

He advised that the complex was dark at night due to the number of trees that shaded the street lights. Branches needed to be cut back and the light-fittings moved on the poles. The Chairman and Mr Richards would carry out a walk-about and look at the street lights.

**HduB/
BR**

4. Mechanical

The new slasher was on site. Mr Hogan made an offer to purchase the old slasher for R1 000,00. The Meeting accepted the offer. Mr Drysdale to create an invoice. The funds would be directed against the sale of assets. Mowers were working.

DFD

5. Staff and Related Matters

Mr van Wyk confirmed having ordered overalls for the staff, which should be delivered in the following week. There had been a problem with Solly who continued to come to work with a hangover. It was difficult to detail without a breathalyzer test. Mr van Wyk confirmed having spoken to him about the problem.

Mr Drysdale confirmed having adjusted Julian's salary to include that portion of the Company's contribution to the pension fund. This had been back-dated to November 2012 when the pension fund had been terminated.

6. Communication, Social, Website

Mr Hogan confirmed that the meter readings were on the website. He requested that they also be put onto the notice board.

RS

Mr Smeda confirmed an electricity reading problem at Unit 21 – Mr Rossi. This had now been rectified, although Mr Rossi was unhappy with the way in which the readings had been recorded.

7. Finance

Mr Drysdale advised that the delay in distributing the monthly financial statements for the period ending January 2013 was because of the time taken to balance the jetty account. Mr du Bruyn advised that he had not had time to look at the financial statements but would do so and deal with the Managing Agent on any matters he felt required further explanation.

ACTION

In turning to the arrears, Mr Drysdale advised that 3 members were more than 2 months in arrears:

| | | | | |
|---------|---|----------|---|------------|
| Unit 27 | - | Degenaar | - | R 8 764,70 |
| Unit 75 | - | Pein | - | R 7 864,22 |
| Unit 81 | - | Knowles | - | R16 055,34 |

He would advise both Mr Degenaar and Mr Pein to bring their accounts up-to-date.

➤ **Budget**

Mr Drysdale advised that he had prepared a draft budget based on the financial figures for the year ending February 2013. The draft budget was based on a 6,0% increase. In taking the direct costs on their own Mr du Bruyn advised that this confirmed a 6% increase. He said that in the previous year following discussions at the Annual General Meeting, the members had requested that there be no levy increase due to the amount of funds being held in reserve by the Body Corporate. These funds exceeded the 3 months levies in reserve, which had originally been agreed to several years previously. Whilst Mr du Bruyn agreed that the principle had not been adopted in the previous year where the levies had been increased by 6%, he felt that there should be some increase as it was not good business practice to leave the levies the same each year. He proposed a 4,5% increase. Mr Hogan proposed a 4% increase, which was agreed to by the Meeting. Mr du Bruyn undertook to look at the draft budget and analyse it before the increase became due on 1 March 2013. The increases to the staff would be discussed between the members.

HduB

8. Special Projects: Locker Registration

Mr du Bruyn advised that he had given the matter a lot of thought and had the following questions:

- Is the locker project a Directors project or are the Directors primarily accountable to the members regarding the progress thereof?

ACTION

- Are the Directors responsible for the bank account of the locker project? Mr du Bruyn suggested that the Directors have no control over the bank account as it is not a Cormorant Bay account. However, the Directors are still accountable to the members as the project mandate was given to the Directors.
- Mr du Bruyn said that as Mr Horn initiated the projects regarding the building of the new lockers and the registration of all the boat lockers, he is the most knowledgeable to complete the projects.

Mr Drysdale said that ultimately the responsibility for anything that happened on the common property was the responsibility of the existing Directors even though the matter may have been instituted by a previous Board. The question of Mr Johan Horn being prepared to continue with the locker project providing he was co-opted onto the Board of Directors and that his expenses were covered, was discussed. Mr du Bruyn said he saw no reason why Mr Horn should be co-opted as a Director but rather as a member of a sub-committee tasked with the project, and agreed that any expenses incurred by Mr Horn and the sub-committee should be covered by the locker project bank account. In response Mr Drysdale said the only reason why Mr Horn wished to be co-opted onto the Board was purely for him to have the authority to deal with problems at the Council and with the legal issues that would arise. He would have no other part in dealing with Cormorant Bay.

Mr du Bruyn proposed that a sub-committee be appointed, which would consist of Mr Horn, a member from the new boat lockers and with a member from the old lockers. This sub-committee would then deal with the ultimate registration of all the lockers, the boat locker bank account, a revised budget for the project and the collection of any special levies regarding the boat locker registrations. He also proposed that the sub-committee appoint a new attorney, as Attorney Peter Nathan appeared to be unable to continue with the work.

ACTION

This would involve further costs, of which the members would have to be made aware. Once this cost had been established, the members to be informed. The sub-committee would also deal with the refunds due to some of the new boat locker members.

At present, it appeared that the plans for the old boat lockers were not to hand and that these may have to be redrawn. Mr Drysdale informed the Meeting that following the registration of the servitudes over the properties, it had come to light that the two farm properties on which Phase I was built had not been consolidated and that some of the carports and buildings were built over the boundary of the two properties. This also needed to be dealt with, as the Council would not give approval to the building plans until this matter was dealt with, proposing that the two farm properties may have to be consolidated.

It was agreed to formalise the sub-committee, which would then report to the Board of Directors before each Meeting.

7. GENERAL

1. Meeting Venues

The Chairman raised the issue of where Meetings took place, which had been queried by Mr Rob Gingell. The Meeting agreed that to rotate the Meeting in Johannesburg would always be unfair to some members in respect of traveling, as well as Mr Smeda who would have to travel back late at night. Whilst it was agreed that perhaps holding one or two Meetings in Johannesburg in winter was a consideration, the Meeting agreed that the Directors Meetings should be held at Cormorant Bay.

2. Duration of Meetings

Mr Drysdale advised that in order to keep the Meetings to a reasonable length, he proposed that they be completed in 2 hours, after which he intended to charge out a rate for his time. He felt that this was only fair as he also had a family to consider at weekends.

ACTION

8. CONFIRMATION OF NEXT MEETING

There being no further business, the Meeting was concluded at 10:10. The next Meeting would be held at the same time and venue on Sunday, 10 March 2013.

APPROVED:

CHAIRMAN

DATE