

**MINUTES OF THE TWENTY SECOND ANNUAL GENERAL MEETING
OF CORMORANT BAY HOMEOWNERS ASSOCIATION
INCORPORATING THE BODIES CORPORATE CORMORANT BAY
SECTIONAL TITLE REGISTER NUMBERS SS 415 / 1990 and SS 197 / 1991
and CORMORANT BAY TWO
SECTIONAL TITLE REGISTRATION NUMBERS SS 535 / 1991 and SS 331 / 1992
HELD ON SUNDAY, 23 SEPTEMBER 2012
AT 10h00 AT THE CLUBHOUSE, CORMORANT BAY**

PRESENT

As per the Attendance Register, which will show that 36 members were present either in person or by proxy.

IN ATTENDANCE

Mr R Smeda	-	Complex Manager
Mr D Drysdale	-	Managing Agent

Mr Klaasen opened the Meeting by welcoming the members and advising that there was a quorum present, with 6 Proxies having been received in Cormorant Bay and 6 Proxies received in Cormorant Bay Two. He confirmed that the Board of Directors had asked the Managing Agent to Chair the Meeting in the absence of the Chairman, Johan Horn.

APOLOGIES and PROXIES

UNIT No.	SECT. No.	NAME OF MEMBER	IN FAVOUR OF
4		Mr M Jordaan	Chairman
5		Mrs B Lomborg	K Lomborg
11		Mr J Horn	M Butz
16		Mr H Wessels	Chairman
22		Gingell, Gingell & Levin	G Rowe
23		Mr Winchester	Chairman
31		Mr G Robertson	Chairman
48		Mr T & Mrs J van Wyk	Chairman
49		Mrs N Dippenaar	Chairman
54		M Freeman	Chairman
62		J and A Lourens	G Rowe
73		Messrs Shimkins & Ralph	Chairman
82		C J Povall	M Povall

Mr Drysdale welcomed the members to the Meeting and bid a special welcome to those members who were new to Cormorant Bay and attending their first Annual General Meeting.

He confirmed that he would follow the Agenda but members could ask questions during the Meeting.

1. APPROVAL OF THE MINUTES OF THE TWENTY-FIRST ANNUAL GENERAL MEETING

The Minutes of the Twenty-First Annual General Meeting were approved.
Proposed by Mr E Hogan; seconded by Mr Barnes.

2. CONSIDERATION OF THE REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

Mr Drysdale apologised on behalf of Mr Horn who had confirmed well before the Meeting that his daughter was representing Gauteng in the National Show Jumping Competition and was unavailable.

Mr Klaasen requested that the members be advised of the latest position regarding the boat locker registrations. Mr Drysdale reminded the members that in order for the boat locker registrations to proceed, the Association had had to obtain two Unanimous Resolutions to register servitudes over the properties owned by Cormorant Bay and Cormorant Bay Two. The first servitude was the registration of an encroachment over Cormorant Bay Two by the boat lockers that were built on Cormorant Bay. The second servitude was a right-of-way servitude over Cormorant Bay Two in favour of the owners of Cormorant Bay One in order for them to get to their boat lockers as the entrance to Cormorant Bay was into Cormorant Bay Two. He went on to advise that the registration of the servitudes had taken an inordinate amount of time following the Unanimous Resolution that had been taken 3 years previously. The Midvaal Local Municipality would not accept and approve the building plans of the boat lockers until these servitudes had been registered. He was pleased to advise the members that these servitudes had been registered earlier in the month and the plans of the boat lockers would now be submitted to the Building Survey Department at Midvaal for approval. Thereafter, the plans would be submitted to the Surveyor General to be approved, following which Attorney Peter Nathan would open the Sectional Title Register to have the boat lockers registered into the name of each member. Mr Drysdale advised that Attorney Peter Nathan was presently sending out documents to the members for signature and for certain information to be supplied, including Anti-Nuptial Contracts and Identity documents.

In responding to a question as to how long this would now take, Mr Drysdale said that there may be a slight hold-up with the plans at Midvaal, as the earliest boat lockers, being the open boat lockers, may still have to be drawn on the property if they could not be found at the Municipality. He advised that the process should now go quite quickly. The registration would not wait for all members to complete the documentation. Those members who submitted their documentation, signed the required documents at Attorney Peter Nathan's offices and paid the fees, would be grouped together and those registrations would proceed. Members who took time in responding to Attorney Peter Nathan, would have their registrations delayed.

In discussing the costs, Mr Drysdale confirmed that the Association had an agreement with Attorney Nathan that the cost would be R4 750,00 per registration. This was confirmed by Mr du Bruyn who said that the fees included the Land Surveyor's costs as well as the attorney's costs.

Mr Ridge advised that he had already had an account from Attorney Nathan for an extra R500,00 and enquired as to whether this was normal? He said he had no hesitation in paying the R500,00 as long as all members would have to account for this extra cost. Mr Hogan proposed that Mr Ridge not pay this extra amount until the Directors could clarify why this amount had been debited out.

Mrs Christie asked about the money she had already paid. In response, Mr Drysdale confirmed that there was a schedule available, showing the monies that had already been handed over to Attorney Nathan by the Association. The schedule was the final account after the Association had advised members several years previously that they could apply to have the monies they had paid refunded to them or credited to their levy accounts. Some members had left their monies with the Association and others had requested a refund at the time. The Meeting requested that the schedule be re-distributed to the members.

The Chairman's Report was accepted unanimously by the Meeting.

3. TO APPROVE THE AUDITED FINANCIAL STATEMENTS AS AT 29 FEBRUARY 2012

In introducing the audited financial statements, Mr Drysdale apologised for the delay, which was due to the Chairman having been overseas and confirmed that the accounts had been signed on his return.

Several questions arose regarding the entrance levy and why it was an odd amount. Mr Drysdale advised that all new members had to pay a R3 000,00 entrance fee. The reason why this amount did not equate was due to the fact that where a property was registered in two names and one of the members sold his 50% share in the unit, the Association charged half the entrance fee levy in order for transfer to be effected.

Mr Ridge said that the entrance levy had been introduced to build up reserves and that this amount should not be shown in the Income Statement but transferred directly to Reserves. Mr Drysdale said that the entrance levy had been introduced in order for those members who bought into Cormorant Bay to pay towards the amenities that had been provided by the existing members. These improvements to the common property allowed sellers to get a better price for their units, from which the Association got no benefit. He advised that monies in the current account were transferred to Reserves during the year and therefore, the monies from the entrance levies ultimately did end up in the Reserves of the Association. In responding to a question from Mr du Bruyn, Mr Drysdale confirmed that the special levies raised referred to the R1 000,00 per jetty raised in January 2012.

Mr Rowe referred to the previous Annual General Meeting, advising that the members had agreed that the levies would not be increased in the 2013 financial year. Mr Drysdale said that in analysing the figures in the previous year, the Directors had agreed to increase the levies by 6%. Mr Drysdale warned the members that not increasing levies sometimes had a detrimental effect in the second year where levies would then have to be increased by a large percentage, which led to an outcry from the members who started referring to things such as the consumer index CPI and enquiring as to why the levy increase was so high.

The financial statements were thereafter approved. Proposed by Mr du Bruyn; seconded by Mrs Skinner.

4. TO APPROVE WITH OR WITHOUT AMENDMENT:

**4.1 THE ESTIMATE OF INCOME AND EXPENDITURE
FOR THE 12 MONTHS ENDING 28 FEBRUARY 2013**

In introducing the budget, Mr Drysdale confirmed that it had been sent out in February of this year and the levies had been introduced on 1 March 2012. He pointed out that the electricity to Phase II, which had originally been provided for in the accounts, had been dropped due to the fact that an amount of R168 000,00 had already been provided for in case Eskom decided to backdate the electricity for Phase II where the meters had not been working for the last 12 – 14 years. The Association had written to Eskom on a number of occasions and their engineers had attended the property but the meters were still not working. The Directors had requested Mr Bevan Richards to install meters on the inside of the property in order to record the electricity being consumed by the homes in Phase II. This would now allow the Directors to monitor the full electricity consumption on the property against the accounts from Eskom as well as to determine the different rates for the two phases.

Mr Ridge again raised the matter of the amount of Reserves, which the Association should keep. Mr du Bruyn referred the Directors to the profit of R129 000,00 over the previous year of R69 000,00 which clearly showed that the levies should not have been increased. He reminded the Meeting that in a previous Annual General Meeting it was agreed that the increase was in order to build up the Reserves so that the Association had between 3 and 4 months' levies in Reserves. This had now been achieved and there was therefore no reason to increase the levies. He said that the Directors had not listened to the members at the last Annual General Meeting and had gone ahead and increased the levies again. Mr Drysdale reminded the Meeting that the resultant levies were up for approval and that the Meeting could agree that the budget was excessive and therefore not approve the budget or the resultant levies, in which case the Association would have to pass credits on the accounts of all members.

Mr Drysdale referred to the Association's reserves, saying that there had been considerable savings in Repairs and Maintenance. The Association had recently spent R11 000,00 in repairing the Husqvarna lawnmower; approximately R40 000,00 on resurfacing the tennis court and a further R20 000,00 on paving around the tennis court where a wall had been removed as it was causing ponding at the court. All these monies were being paid from the budget and Reserves. At a Directors Meeting held the previous Tuesday, it had been agreed to purchase a new lawnmower every 5 years and it had been agreed to purchase a Hustler lawnmower as the Husqvarna was now 5 years old. Again, these monies would be provided from Reserves.

Mr Klaasen referred to the paving of the roads, saying that quotes had been received to undertake the paving of the roads throughout the complex. The figure was more than R800 000,00. Mr Barnes referred to the existing roads saying that when cracks appeared they should be attended to immediately, which would stop the rainwater getting into the cracks and lifting the tar. Mr Klaasen reminded the Meeting that the patching of the roads had been done over 20 years and was in the budget.

Mr Klaasen then asked the members to vote to accept the budget in force, together with the resultant levies. The Meeting unanimously agreed to the budget in place and the levies presently being charged out.

4.2 SCHEDULE OF REPLACEMENT VALUES

Mr Drysdale again told the Meeting that those members who increased the value of their units by putting in new kitchens, bathrooms, tiling and carpeting, should write to the Association if they felt that the value in terms of the schedule was less than the amount for which their property should be valued. Those members should complete the Insurance Form that was distributed with the Notice for the Meeting and hand it to the Managing Agent, whereafter the difference in the two values would be charged out at the rate of insurance presently being applied to Cormorant Bay.

The insurance replacement value at R9 350,00 per m² was approved unanimously by the Meeting.

5. APPOINTMENT OF AN AUDITOR

Messrs R W Irish-Alliott Inc. were re-appointed as the auditors of the Association. Proposed by Mr Butz; seconded by Mr Bullock.

6. APPOINTMENT OF DIRECTORS

In introducing the nominations for Directors, Mr Drysdale told the Meeting that there were positions for 3 Directors as 2 Directors were standing down and not seeking re-election, those being Mr Johan Horn and Mr Wayne Klaasen. The third position was due to Mr Rowe having resigned during the last year. Four members had put their names forward for re-election, namely **Mr Tim van Wyk, Mr Eric Hogan, Mr Bevan Richards** and **Mr Manfred Butz**. Three new members had accepted their nominations, namely **Mr Hansel du Bruyn, Mr Graeme Rowe** and **Mr Bob Gingell**. He asked the members to accept the nominations. There were no objections and the nominated members were accepted en bloc by the Meeting to stand as Directors until the next Annual General Meeting.

7. RESTRICTIONS AND DIRECTIONS GIVEN TO THE DIRECTORS IN TERMS OF SECTION 39(1) OF THE ACT

The direction approved at the previous Annual General Meeting that the Directors were limited to a maximum of 10% of the annual budget as legal fees, was carried forward. Proposed by Mr Hogan; seconded by Mr Barnes.

8. APPROVAL OF THE INTEREST RATE ON ARREARS BE DETERMINED AT 24% PER ANNUM COMPOUNDED

Mr Drysdale explained the reason for introducing the proposed interest rate as, in the present economic climate, his office was having to hand over more and more members for summons to be issued. Fortunately this was not the case at Cormorant Bay but as most attorneys and even some magistrates required to see the resolution where the Association or Body Corporate had approved the interest rate he required the members to resolve that they approved the interest rate presently being charged-out.

The interest rate of 24% compounded was approved. Proposed by Mr Ridge; seconded by Mr Hogan.

9. APPROVAL OF THE DOMICILIUM CITANDI ET EXECUTANDI OF THE BODIES CORPORATE

The address of the Managing Agent as detailed in the Notice, was accepted unanimously by the Meeting.

10. GENERAL

1. Proposed New Harbour

In opening the Meeting to the floor, Mr Drysdale asked Mr Hogan to give an account of the proposal to build a new harbour with jetties.

Mr Hogan said that following the correspondence sent out by the Managing Agent, 23 people had shown interest in contributing to the extension of the harbour wherein they would get a jetty. He said that due to the recent rains it may be too late to undertake the work as the water level had now risen. He confirmed that the land on which the harbour was built did not belong to Cormorant Bay. He confirmed that there had been only one objection in writing. Both Mr Rowe and Mr Klaasen advised that they would also object to the extension of the harbour.

Mr Barnes enquired as to whether an engineer had been employed to look at the design and if permission had been granted by the Department of Water Affairs? In response, Mr Hogan said that this was the proposal on the table and only once the Association had approved the extension would the Directors get the necessary approvals. Graeme Rowe said his objection was that a lot of people brought their boats onto the beach area where the intention was to build the harbour and a lot of children swam in that area. He asked if there was not an alternative.

In response, Mr Hogan said that there was an alternative, being a jetty on wheels, which individual members could purchase if they wanted to have this type of mobile jetty. The only problem was that it was not secure. Mr Barnes said that the Directors were in fact putting the cart before the horse, as they should have got designs by Civil Engineers as well as written approval from the Department of Water Affairs. He suggested that the development would cost more than R1-million.

Mr Skinner said that before embarking on the project, rock may have to be blasted out of the basin in order to give the right depth to the proposed harbour. Mr Hogan said that as far as he was aware, there would be a minimal amount of blasting as in previous tests, the ground appeared to be without rock.

In closing the debate, Mr Hogan said that if the project was not going to go ahead, then the Directors would have to look at the professional roll-out jetties which were of a high quality and cost R20 000,00. The jetty could take two boats.

2. Fishing Area

Mr Hogan then put a proposal to the Meeting that the area to the south of the lapa be used by the youngsters at Cormorant Bay for fishing now that all the tyres had been removed. In response, Mr Barnes said a lot of members used that area and by allowing fishing, the fishing gut would get entangled in the props on boats, which was unacceptable.

Mr Ridge said that this was an area where jetties could be moored, as it was quite sheltered. Mr Skinner said that the waterfront area belonged to everybody and that the members present could not just vote on an issue. He said it was also not up to the Directors to make that decision. Mr Drysdale advised that in order to get the members' opinion a general meeting would be called at which members would be advised of the proposals and would have to vote. The Meeting agreed to call a general meeting.

3. Waterfront

Mr Rowe told the Meeting that he had originally proposed that the Association employ a TLB to remove all the rock at the waterfront in order to clean up the area. He said this had not been done and asked that the incoming Board again look at removing the rock. Mr Barnes advised that in removing the rock, more rock would be pushed to the surface and the area would always have rock.

4. Water Leaks

Mr Case advised that following the recent rain-storms he had a lot of water entering his unit onto his patio. A number of members responded, saying that with the amount of hail that had been deposited on the roofs of the units the previous night, they had also experienced leaking.

5. Jetties

Mr Klaasen told the Meeting that the floats for the jetties were on hold pending the outcome of this Meeting. They would now be ordered.

6. Discipline

Mr Tam told the Meeting that the reason why Cormorant Bay was popular and why people invested in the complex, was due to the discipline that was enforced. He said that lately, however, the discipline was lacking in that there was more noise, quad bikes riders were allowed to do as they pleased and generally, the standard of the complex was dropping. He asked whose responsibility it was to enforce discipline. In response, Mr Drysdale said that the disciplining of members rested with the Directors. Members were asked through the rules to adhere to certain guide-lines in respect of noise and the riding of quad bikes. Generally, the Directors like members, came to Cormorant Bay to relax and did not wish to be policemen. That responsibility rested with the Complex Manager – Mr Smeda, who also did not want to be a policeman. The rules were in place and where letters were written to the Board, the Directors would respond by writing to the offending parties asking them to abide by the rules in place. The last resort was to issue fines in order to get the member's to adhere to the rules. He advised that the problem sometimes lay with visitors where owners allowed their friends to come to Cormorant Bay for a weekend and these visitors felt that they were not subject to the rules and merely did what they liked. He said it was up to the members to police their guests. Mr Smeda said there were very few problems experienced at Cormorant Bay.

7. Paving

Mr Olivier requested permission to pave at his cost, that portion of ground between his carport and the road. Mr Drysdale asked that he put his request in writing, addressed to the Board of Directors. He said there was no reason why the request would not be granted.

Mrs Skinner proposed a vote on behalf of the members to Roy Smeda, saying she had been at Cormorant Bay for 25 years and Roy Smeda had been the best manager they had ever had. The Meeting warmly applauded.

Mr Butz on behalf of the members, proposed a vote of thanks to the Directors for their work over the past year. The proposal was warmly applauded by the Meeting.

There being no further business, Mr Drysdale closed the Meeting at 11h25 by thanking those members sincerely for taking the time and trouble to attend the Annual General Meeting and invited the members to enjoy a boerie-roll with the Directors.