



Homeowners Association

MINUTES OF THE 2023 ANNUAL GENERAL MEETING OF THE OUBAAI HOMEOWNERS ASSOCIATION HELD ON THURSDAY, 6 JULY 2023, AT 17H30 VIA THE LUMI ONLINE MEETING PLATFORM AND OUBAAI HOTEL

1. Welcome

The meeting was chaired by Andre Roberts, who introduced himself as the board chairman for the past two years. He welcomed attendees to the AGM and confirmed the presence of a quorum, with 216 individuals either physically present, participating virtually, or represented by proxies.

The Chairman addressed an issue Mr Jos Verrat raised regarding changing votes by proxy holders. He clarified that if someone who gave a proxy is present and registered, they can change their vote during voting. However, instructed proxies cannot be changed if the proxy giver is absent.

A potential power outage was mentioned, but it was noted that measures were in place to reconnect virtual participants if needed quickly. Lumi was mentioned for their exceptional efforts in setting up the virtual infrastructure. A rule was established for speaking during the meeting: all participants must use a microphone to ensure accurate recording of discussions for minute purposes.

Valid proxies received	97
Members online and present	153
Total Attendance	250
Invalid proxies received	4

2. Apologies

The Chairman read the apologies received:

- Morne Strauss
- Gawie van Heerden
- Henk du Toit
- Brian Shaw
- Alf Clappen
- Gideon Hugo
- Piet van der Merwe
- Jan Steynberg
- Jeff van Biljoen
- John Fourie
- Fleetwood Grobler

3. Agenda & Acceptance of the 2022 AGM minutes

Moving on to the agenda, the minutes of the 2022 Annual General Meeting were discussed for approval.

The poll voting process was explained, with participants allowed to vote in person and virtually. Results would be tallied within 30 seconds of the vote closing, and all proxies received by the administrative deadline were taken into account.

The Chairman acknowledged the distribution of the 2022 Annual General Meeting minutes and expressed gratitude to Willem for compiling and distributing the comprehensive minutes package. The Chairman offered attendees the opportunity to voice any comments or disagreements regarding the minutes. Observing the room, no comments were raised.

Attendees were instructed on how to cast their votes using a handset, choosing from options "for," "against," or "abstain." Online participants were guided through a similar process, with their votes appearing on the screen afterwards.

Poll 1: Approve 2022 AGM minutes.

Votes For	211
Votes Against	1
<hr/> Vote Abstained	<hr/> 34
No Votes	7

The Members approved the 2022 AGM minutes.

4. Chairman's report

Andre Roberts presented a concise overview of the Association's financial activities and general affairs for the fiscal year ending on 28 February 2023 since the previous AGM was held on 28 June 2022.

He emphasised that despite the prominence of golf course-related issues, the meeting was not solely focused on the golf club but intended for all Association members and activities.

Addressing the golf course and related facilities, the Chairman highlighted the issue that dominated the board's attention during the review period. He acknowledged the ongoing speculations and discussions among residents over the past year. The Estate's vision, guided by Kharafi Holdings (Pty) Limited, included a top-tier Ernie Els-designed golf course, a "5-star" hotel, and a spa.

The board had no choice but to explore alternatives due to neglect by Kharafi Hospitality (golf course operators) and Kharafi Resorts (hotel and lifestyle centre operators). In December 2022, a subcontractor responsible for golf course maintenance halted its duties due to compensation disputes. This situation prompted the board to mitigate potential impacts on property values and community well-being.

Efforts by third parties to acquire the facilities had failed, leading the board to negotiate with the Kharafi Group to purchase the golf course, driving range, Clubhouse, and halfway house facilities, subject to member approval at a duly constituted meeting. The Chairman outlined the timeline of events since November 2022, highlighting key actions the board took.

Notably, in late November, discussions occurred regarding a short-term intervention to manage golf club facilities over a holiday period. After deliberations with Kharafi, this option was deemed unviable. Subsequently, the board explored the possibility of ownership, a concept previously considered over the past decade. It involved negotiations with Kharafi, who requested a non-disclosure agreement

(NDA). Despite accusations of hiding behind the NDA, the board, after thorough consideration, signed the document on 13 December 2022. The NDA, finalised after significant legal consultation, aimed to protect board member's positions and professional integrity.

On 14 December 2022, Kharafi acknowledged the receipt of correspondence and provided relevant financial information for consideration. Between December 14 and 24, 2022, calculations were conducted, leading to a memorandum sent to Kharafi on 24 December 2022, proposing an offer of R7 million instead of the initial asking price of R65 million. On 6 January 2023, Kharafi sought clarity from their head office and rejected the R7 million offer.

Meetings and negotiations took place in January and February 2023, resulting in Kharafi indicating a potential acceptance of an offer between R35 million and R40 million. On 27 January 2023, the board suggested a proposal of R15 million.

On 11 February 2023, Kharafi rejected the R15 million offer and indicated their shareholders preferred R40 million. Discussions continued through February, with the board agreeing to offer R30 million, including the driving range land and other adjacent lands.

On 23 February 2023, Kharafi's board agreed to the R30 million offer, with some details still to be finalised. Negotiations ensued regarding additional properties adjacent to the golf course.

An agreement on the "Cart Park," including security offices and access gates, was reached on 15 April 2023, with an additional R3 million agreed upon for this land. Throughout this process, interactions took place with Ernie Els and his group regarding course operations and changes.

A company, "Oubaai Members Club (Pty) Limited," wholly owned by the HOA, was registered to oversee golf course operations. A finance subcommittee was formed on 18 April 2023, with representatives working on financing models, including using reserves, a special levy, and special golf memberships.

After extensive discussions, agreements on food and beverage issues and the driving range were reached. The driving range is owned by a separate entity, necessitating a subdivision process for acquisition.

The negotiation process involved separate entities within the Kharafi Group due to different ownerships of the hotel, lifestyle centre, and golf course. Negotiations were required with each entity to address various aspects of the acquisition.

The first draft of the acquisition contract was received on 13 March 2023. The board commented on 20 March 2023, and discussions focused on specific properties adjacent to the golf course, including storage facilities and security offices.

The board emphasised the importance of properties adjoining the golf course, including the cart park and security offices. After deliberations and negotiations, an additional R3 million was agreed upon to acquire these properties.

The board and attorneys collaborated to refine details, and ongoing discussions took place with Ernie Els and his group, facilitated by a previous Chairman. The decision was made to register a company, "Oubaai Members Club (Pty) Limited," wholly owned by the HOA, to oversee golf course operations.

A finance subcommittee was formed on 18 April 2023 to devise finance models, including reserve usage, a special levy, and special golf memberships.

The signing mandate by the board was reviewed on 8 May. On 18 May, a meeting to finalise documents and sign an agreement was scheduled with Kharafi, but further developments intervened.

Legal advice received on 19 May indicated potential risks related to signing agreements before possible liquidation. Specific concerns arose due to ongoing liquidation applications involving creditors of the Kharafi Group. Considering the legal implications, the board decided to withhold the signing of the agreement and informed members of the situation.

The liquidation process continued, with specific decisions expected to be made in court proceedings scheduled for 26 August.

Control over the golf course was highlighted as encompassing control over the Clubhouse and related facilities. Collaboration with Eddie Da Silva was acknowledged, as he volunteered to discuss potential upgrades and improvements to the Clubhouse. Homeowners' involvement in golf course developments for property value enhancement was emphasised.

The Chairman shared the board's intention, at least until the current AGM, to remain involved in the golf course acquisition negotiation process. The potential financial impact of the new transaction remains uncertain, and the board commits to keeping members informed of any developments.

Acknowledging social media commentary, the Chairman mentioned responding positively to criticism and recognising the diverse perspectives expressed.

Andre Robberts aimed to clarify uncertainties for members, acknowledging that the non-disclosure agreement (NDA) constrained the ability to provide detailed responses to questions. The board's commitment to safeguarding funds and adhering to principles was reiterated, even if perceived opportunities were not pursued.

Eugene Hofmeyer raised concerns and made comments during the meeting, which the Chairman addressed:

Eugene Hofmeyer expressed that compliance with the Constitution, including holding an AGM before signing any non-disclosure agreement (NDA), could have avoided negative social media statements.

The Chairman acknowledged the comment and noted Eugene's point.

Eugene questioned a non-refundable deposit of R3 million mentioned in the agreement. The Chairman clarified that the non-refundable deposit would only apply if 75% of the members approved the deal at the AGM, and the board did not have free rein to allocate funds without members' approval. The Chairman emphasised that the agreement's terms were contingent on member approval and that no funds would be distributed without proper authorisation.

The Chairman then transitioned to discussing other matters related to the Estate's growth, development, governance, and engagement. The Chairman highlighted the substantial growth in Oubaai over the past year, with completed and under-construction dwellings contributing to the Estate's expansion.

The Chairman acknowledged Willem Marx's exceptional contributions as the estate manager for over a decade and his decision to step down. The new board will initiate a recruitment process for a successor.

The Chairman explained the appointment of trustees according to the Association's Constitution, outlining their role in managing the Association and ensuring organised operations without constant interference.

Regular board meetings and ad hoc discussions ensure professional and well-documented decision-making, and there is an ongoing collaboration between the estate manager and the board.

The Chairman addressed concerns about unsubstantiated comments on social media and encouraged respectful interaction. Constructive criticism from homeowners is valued, and the board aims to address concerns promptly.

The board since the last AGM included Giel Hammel (Security), Karien Hunter (Communication, Qualified Lawyer), Willem Marx (Estate Manager, Non-voting member), Johanette Rheeder (Legal Portfolio, Lawyer), Andre Roberts (Chairman, Financials), and Charl Van Eetveldt (Vice-Chairman, Shared Legal Portfolio).

Giel Hammel, Charl Van Eetveldt, and the Chairman have completed their terms. Giel and Charl are available for re-election.

The financial results and unqualified audit report for the year ending 28 February 2023 showed diligent control procedures, resulting in a net after-tax income of R1.2 million. Accumulated funds reached R48.7 million, with R42.1 million invested in low-risk deposits and income funds. Capital expenditure and improvement reserves increased to R25.048 million and R17.1 million, respectively. The financial position remains strong, and levy and service cost collections are aligned with the budget.

The board deliberated the proposed budget for the AGM, given Oubaai's growth and economic challenges. An 8% increase in the operational levy (from R2,649 to R2,863 per month) and a 22% increase in the capital contribution levy (from R180 to R220 per month) were recommended, leading to a total levy of R3,083 per month.

The capital contribution levy now includes the annual depreciation charge. Several capital projects are planned, including waste management upgrades and electrical reticulation improvements.

The board is comfortable with the cost increase as it aligns with the Estate's needs for continuous growth.

Helena Tripmaker raised concerns about previous financial year commitments and actions, including constructing two access paths for golf carts, road widening, and park benches. She sought clarification on whether these projects were carried over to the current year and what happened to the allocated funds.

The Chairman addressed Helena's questions, explaining that the cart path construction was pending due to the golf course ownership issue. Road widening is an ongoing process to accommodate increasing traffic, and the placement of park benches in parks for workers has been part of a phased approach. He assured that the funds allocated for these projects were still available.

Rule Changes: Minimal changes were proposed to governing documentation, including comprehensive rules on pet ownership in the Estate. The board ensured that these changes would benefit all residents if applied appropriately.

Administrative Errors: The board acknowledged administrative errors in publishing house rules and promptly investigated the matter. The law firm Raubenheimer Incorporated was engaged to track and

correct discrepancies in house rule versions from 2018 to 2022. The corrected final version now aligns with AGM-approved documentation. The board also discussed the need to review the Constitution, which is 20 years old, and potentially create subsidiary rules for specific areas within the Estate.

The Chairman emphasised the importance of collective security in estate living and highlighted ongoing efforts to enforce security protocols. Despite the country's security challenges, Oubaai had not experienced serious incidents during the reporting period.

A member, Leon Coetzee, suggested that the security portfolio be assigned to a trustee with expertise in security matters to ensure comprehensive safety measures, including health and immediate assistance plans. The Chairman acknowledged the importance of the security discussion and noted that the newly-elected board would minute and consider the issue.

Ron Boon raised concerns about whether security cameras switch off during power outages. Willem Marx explained that some cameras will be equipped with solar packs to address this issue, particularly in areas prone to blackouts.

Etienne Scheepers suggested having more cameras in parks to combat vandalism, as damage incidents often occur during holidays. Willem shared plans to redeploy cameras from trails to parks.

The Chairman emphasised the importance of adhering to the speed limit and recounted witnessing a serious accident involving a minor driving a golf cart. He called for stricter enforcement of rules and responsible behaviour by all residents.

Chairman commended Turf Worx for their improvements in maintaining and beautifying the Estate's gardens, highlighting water-wise designs. He thanked the team for their diligent garbage collection.

The board recognised the hotel and lifestyle centre's unsatisfactory condition and service levels. The incoming board will formulate a clear strategy once legal processes are clarified.

The Bergiesee event in November was successful and contributed to the Oubaai spirit.

The Chairman expressed gratitude to everyone who contributed to the positive living experience in Oubaai. He thanked Willem, his team, subcontractors, and office staff for their dedication. He appreciated the board's efforts and members' support. He highlighted the pleasure and honour of serving the Association and encouraged continued collaboration to enhance and protect the shared home.

5. Consideration of Annual 2021/2022 financial statements and approval

The Chairman informed members that Mazars now signed the financials presented. He invited questions about the financials.

Helen De Bruyn asked about the levies and their calculation, considering that all stands are now privately owned. Willem explained that developer levies were phased out over time, and only full levies were collected.

Helen De Bruyn suggested considering a lower levy increase than the proposed 8%, citing the growth of the reserve fund. The Chairman explained that expenses have grown due to wages and fuel costs, and the budget has been carefully calculated.

The Chairman emphasised the importance of the surplus fund, highlighting its purpose for future infrastructure needs. He mentioned the possibility of exploring alternative ways to increase the fund.

Rodney Love questioned the increase in legal and professional expenses. The Chairman clarified that the increase was due to defending cases, not attacking members. He mentioned a specific case where costs were being recovered.

The Chairman sought approval of the financial statements and highlighted the unqualified audit report.

Eugene Hofmeyer inquired about the inclusion of a pending legal recovery in expenses. The Chairman explained that the recovery was not finalised as of the reporting date.

Another member asked about the outstanding debt of R2.6 million. The Chairman clarified that a significant portion was related to the hotel and golf course, which was dealt with through legal processes.

Helen inquired about outstanding amounts from Kharafi and whether the Estate would claim against the outstanding debt. The Chairman confirmed that they would pursue the claim.

The financial statement endorsement resolution was approved by members with a vote of 99.56%.

Poll 2: Approve Financial Statements for 2022/2033

Votes For	228
Votes Against	1
Votes Abstained	13
No Votes	24

99.56% of Members approved the 2023 financial statements.

6. Consideration Of Operational Budget For 2023/2024

Willem emphasised the efforts made to keep the budget as low as possible. He addressed Helen's question about developer levies, clarifying that all levies are now collected at full price, and non-compliance levies are allocated directly to the reserve funds.

Ageing infrastructure, increasing loads, and maintenance costs were highlighted as factors affecting the budget, especially for civil infrastructure, electrical reticulation, water, and sewage systems. Security and access control costs have increased due to human resources, technology, and sectorial increases.

Street cleaning and waste collection expenses were discussed, including the intention to buy a compactor for cost efficiency. Staff costs were addressed, mentioning the need for provision and potential staff increases, particularly on the technical and administrative sides.

Electricity income and under-recovery in water costs were explained, leading to a net income contributor of about R1 million.

A member inquired about the high percentage of operating expenses allocated to reticulation. Willem explained that Oubaai manages all services within the Estate, similar to a municipality, which accounts for the higher allocation to reticulation.

Poll 3

Votes For	210
Votes Against	8
Votes Abstained	12
No Votes	37

96.33% of Members approved the Operational Budget.

The operational budget was approved.

7. Consideration of Village Defined Levy For 2022/2023

Willem explained the distinction between different property types in the Village, including sectional titles, full titles, and common areas. The HOA does not maintain sectional title units, and full title owners are responsible for their capital items.

The HOA performs maintenance and repairs for common areas, such as sweeping pathways and cleaning balconies.

An 8% increase was proposed for full title units.

A member was concerned about voting for issues that don't directly impact them. Willem explained that the Constitution currently doesn't differentiate such voting. The Chairman acknowledged the need to revise the Constitution.

An online question from a resident asked if the ageing of infrastructure was progressing as expected at the construction time. Willem mentioned that maintenance schedules and input from engineers are used to determine reserve funds for replacements. It was noted that infrastructure often outlives its expected lifespan.

Poll 4

Votes For	164
Votes Against	5
Votes Abstained	67
No Votes	31

97.04% of Members approved the Village Defined Levy.

The Village Defined Levy approved.

8. Proposed Capital Expenditure Budget

Willem highlighted the critical components of the capital expenditure budget, emphasising four main items: the compactor, inverters and batteries for essential internet services, trail cameras with solar panels, and installing a spare mini-sub for power supply redundancy.

The compactor is expected to have a payback period of 3 years and will help manage waste collection more efficiently. The inverters and batteries are vital for maintaining stable internet services, especially during generator failures or fuel shortages.

Trail cameras with solar panels will enhance security on the trails and are crucial for ensuring an uninterrupted power supply.

Poll 5

Votes For	224
Votes Against	1
Votes Abstained	11
No Votes	31

99.56% of Members approved the Capital Expenditure Budget.

The Capital Expenditure budget was approved.

9. Proposed Capital Improvement Budget

Willem presented two items for consideration in the capital improvement budget:

The replacement of a steel component within the purification chamber that had reached the end of its lifespan. The replacement of the components was already done using stainless steel to ensure durability for the next 30 years.

Replacement of components in the sewerage pumps' reticulation system over the next 4 to 5 years. This upgrade addresses issues caused by load shedding, damaging components and affecting the system's efficiency.

The resolution to approve the 2023/2024 capital improvement budget was put to members' vote.

Poll 6

Votes For	229
Votes Against	0
Votes Abstained	10
No Votes	28

100% of Members approved the Capital Improvement Budget.

The Capital Improvement budget was approved.

10. Proposed amendments to the Constitution and Estate Rules

The proposal to revisit and make amendments to the Constitution was raised. The concern was whether it would be premature to vote on changes to the Constitution if a more extensive revision were planned in the future.

The Chairman responded that the changes being voted on are necessary for managing the Estate until the next AGM. The proposed changes are minimal and pertain to allowing pets in Village units.

Helen expressed concern about the potential challenges of managing pets in apartments, including accountability for escaped pets and potential disruptions to wildlife.

Mark Brown highlighted the need for equality and the consideration of residents' needs, including elderly individuals living alone who may desire pets for companionship.

The Chairman acknowledged the differing opinions and emphasised that the proposed change aims to achieve consistency between full title and sectional title units without necessarily altering the pet policy.

A resident raised concerns about potential chaos and challenges regarding allowing pets in the Village, especially in apartment settings.

Willem clarified that the proposal focuses on treating different types of units uniformly for specific policies, like pets. He used examples to illustrate that treating these property types differently could lead to inconsistencies.

The members then voted on changing the definition of "unit" in the Constitution to include both full-title and sectional-title residential properties. The resolution to approve the proposed amendments to the Constitution was voted upon;

Poll 7

Votes For	165
Votes Against	44
Votes Abstained	32
No Votes	26

78.95% of Members approved the proposed change to the Constitution.

The change to the Constitution was approved.

Poll 8

Votes For	107
Votes Against	85
Votes Abstained	49
No Votes	26

55.73% of Members approved the proposed Estate Rules (Pet Policy) change.

The changes to the Estate Rules were approved.

Du Toit raised a concern about calculating the vote percentages for the amendments to the Constitution, arguing that abstain votes should be included in the calculation. Andrej clarified that, according to the Constitution and the company's act, abstentions are not considered exercised votes and thus are excluded in calculating percentages.

The Chairman acknowledged the issue and suggested that the matter be referred to legal for proper clarification and opinions on the vote percentages for the amendments to the Constitution and the pet policy.

The Chairman then announced that there is no final decision on the vote outcomes for both items 7 (constitution amendments) and 8 (pet policy) until the legal opinion is obtained.

A member, Camilla McArdle, questioned why house residents are voting on the pet policy for the Village, as it primarily affects the village residents. She expressed her concern and abstained from voting on the pet policy.

The Chairman acknowledged the contentious nature of the issue and believed that the debate would continue but that the matter would not be resolved at that moment.

11. Proposal to maintain the golf course for six months and to amend the Constitution for the Association to maintain the Golf Course and enter into contracts.

The Chairman introduced the topic of the estate rules, specifically related to golf course maintenance. He explained that the board seeks authorisation to intervene and maintain the golf course if it enters a state of disrepair, allocating funds from reserves for a limited period of 6 months.

He also mentioned proposed changes to the Constitution to allow for such actions in the future. A member raised a concern about the limited 6-month period mentioned in the proposal, stating that the change to the Constitution seems indefinite and may not be wise.

The Chairman clarified that the intention is to use the funds for a limited period of 6 months. Still, the constitutional change is meant to be a permanent provision to cover potential future actions related to golf course maintenance. Members expressed concerns about the constitutional change being indefinite and potentially unconstitutional.

Willem clarified that there are three parts to the voting process: 9.1 is about discussing the funds requirement, 9.2 is about transferring funds from the reserve fund, and 9.3 is about approving changes to the Constitution.

Voting occurred on 9.2 (transferring funds from the reserve fund).

Poll 9.2 - Approval to use reserve funds to maintain the golf course for six months

Votes For	186
Votes Against	43
Votes Abstained	10
No Votes	28

81.22% of Members approved the proposed change to use reserve funds to maintain the Golf Course.

Voting occurred on 9.3 (Constitutional changes)

Poll 9.3 - Approval of changes to the Constitution to maintain the golf course

Votes For	143
Votes Against	79
Votes Abstained	19
No Votes	27

64.25% of Members approved the proposed change to the Constitution to maintain the Golf Course.

The change to the Constitution was rejected.

The Chairman sought clarification on whether the failure to carry the changes to the Constitution would affect the ability to transfer funds. Willem confirmed that the transfer of funds would be allowed for six months but not as a permanent provision in the Constitution.

12. To appoint Mazars as auditors and approve their remuneration.

The Chairman introduced the appointment of auditors and the approval of their proposed remuneration.

It was mentioned that Mazars is the current auditor of the Association, and their fee is in line with what was previously voted for. Members were asked to vote on the appointment of the auditors and the approval of their proposed remuneration.

Poll 10

Votes For	211
Votes Against	4
Votes Abstained	21
No Votes	31

98.14% of Members approved the appointment of Mazars and their remuneration.

Mazars was reappointed as auditors for the next financial year.

13. Appointment of 3(three) new Trustees

Several members were nominated for the position of trustee; however, some nominees withdrew before the vote. Each nominee was given the opportunity to briefly introduce themselves, share their background, and explain why they should be voted for.

Nominees included Charl Van Eetveldt, Dirk Robinson, Giel Hammel, Jaco Kriek, Mark Brown, and Warwick Head. The nominees highlighted their qualifications, experience, commitment and availability to serve the Oubaa community.

Members were allowed to vote for up to 3 candidates using a voting system.

The voting results were announced, with Jaco Kriek, Charl Van Eetveldt, and Giel Hammel receiving the most votes and being appointed as trustees.

The Chairman expressed gratitude for the participation and support of all nominees and the members.

<i>Jaco Kriek</i>	<i>175 Votes</i>
<i>Charl Van Eetveldt</i>	<i>140 Votes</i>
<i>Giel Hammel</i>	<i>88 Votes</i>
<i>Warwick Head</i>	<i>84 Votes</i>
<i>Dirk Robinson</i>	<i>79 Votes</i>
<i>Mark Brown</i>	<i>76 Votes</i>

14. Correspondence Received from Members

The Chairman acknowledged the submission of questions and correspondence before the meeting. Comments from online participants expressed gratitude to Willem for his service and contributions and appreciation for the board of trustees' work.

Online participants also thanked the board for their efforts and expressed the importance of maintaining the golf course for property value growth.

15. Conclusion of meeting

The Chairman thanked everyone for attending and participating in the meeting and everyone involved, including Andrej, for ensuring the audited and traceable process.

The Chairman concluded the meeting, expressing well wishes and closing the proceedings.