



Moditlo Estate Home Owners' Association NPC

Registration Nr: 2002/013524/08

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MINUTES OF MEETING OF THE MODITLO ESTATE HOME OWNERS' ASSOCIATION ANNUAL GENERAL MEETING HELD 26 FEBRUARY 2022 AT 10H00 AT MODITLO ESTATE MAIN GATE, R40, HOEDSPRUIT

1. NOTICE OF THE MEETING:

Notice of the meeting was given in terms of the Articles of Association of the Home Owners Association, and it was noted that a quorum was present. Owners of **one hundred and ninety eight** (198) stands were represented, either in person or by proxy, and eligible to vote.

2. WELCOME AND CONFIRMATION OR ELECTION OF CHAIRPERSON:

George Brownlow in his capacity as Chairperson of the Board of Directors of the Home Owners Association chaired the meeting and welcomed all members present.

3. ATTENDANCE AND APOLOGIES:

a. Apologies/Proxies

Member attendance was as per the attendance register. Proxies were recorded as apologies. Annelie Roets (Estate Manager), Riaan Hugo (Operational Manager) and René Riekert (Administrative Assistant) were in attendance.

b. Quorum

The chairperson confirmed that the quorum has been met.

4. **ADDITIONAL ITEMS:**

a. **Electrical Maintenance Presentation**

André van der Merwe from Leopardo Electrical presented the following:

- The company was established in 2001, they have 26 employees, 8 vehicles, have their own earth building equipment, own train trucks, and 3 testing graders with all the support and logistics that go with it. They have 3 supervisors on call on a 24-hour basis. They have been servicing the estate for 12 years and are also registered with the relevant authorities.
- The installation started in 2003, and he advised that the average lifespan of the equipment is only 25 years.
- Moditlo's electricity is generated from the Marula sub-station in town, which partly runs through Hoedspruit Wildlife Estate, into the Kapama property. Kapama and Moditlo were recently split (still one circuit, but two different consumers). Problems on the Kapama line will then not affect Moditlo's electricity.
- The replacement value / insured value is R45 000 000,00 of the infrastructure, notified maximum demand is 500KVA, and the estate is currently using approximately 350KVA.
- Main issues they are currently experiencing is the type of cables that was installed in 2003 which was the best technology that they used to install at that time. When repairing cables, they use the newer technology that is available.

b. **Electricity Generation Proposal (Appendix A1 & A2):**

Annelie Roets queried if the members had read the proposal and if there were any questions, to which Dr Paul van der Merwe replied that he did have questions.

Dr van der Merwe stated that, in terms of the law, a licence is required should you generate and sell electricity, and queried if an application was submitted, as it was not mentioned in the proposal.

He queried the placement of the generator, why it would be positioned at the main gate, as it would be more logical to install it at the sub-station.

His last query was that, as a substantial amount will be spent to install the generator, and it would be for the account of all the members of the estate, will those members that invested in 'going off the grid' also be invoiced for something that they will not use.

Mr George Brownlow then replied that this was only a proposal, and that the members had the right to either approve the proposal or not approve it if they were not in favour of it. He then requested Mr Bernard Koppes to present the proposal.

Mr Bernard Koppes replied that Dr van der Merwe did have a good point regarding the legality, but he could not give his opinion as they would have to consult with Leopardo Electrical to get more information on that point. The idea, however, was not to sell electricity to members.

His opinion regarding the members that have made alternative plans for the electricity problem, was that it would be unfair towards the members that have not had the opportunity to do that.

Ms Louise Worthington queried how many households the generator would be able to support, to which Mr Koppes replied that it would be enough for the current number of houses on the estate, plus an additional 20/30 new builds. As it is scaled, a second generator can be added, but that would be cheaper as this proposal was for the generator and installation.

Ms Worthington then queried Dr van der Merwe that, as he did not agree with the proposal, what would his proposal be, to which he replied that they could also look at solar.

Ms Kristen Furseth proposed that, instead of implementing a solar farm, why not subsidise members who wanted to install solar at their houses.

After a discussion further ensued regarding the proposal, it was decided that further information should be gathered before voting on this proposal, Mr Koppes advised that, from a legal perspective, the members could not postpone voting on a proposal that was submitted lawfully as the AGM could then be declared unlawful, and he then also stated that he would abstain from voting on this proposal. Mr George Brownlow then requested the members to cast their votes on the ballot.

c. **Water supply (Appendix B):**

Ms Annelie Roets stated that the proposal was presented doing groundwork for further proposals.

Mr Brownlow stated that, after investigating and communicating with local authorities, he was advised that the local municipality had already depleted the budget for the next 5 years, and no funds were available for the upgrading / installation of the water pipeline. He then requested Mr Riaan Hugo to advise the members of the state of the boreholes on the estate.

Mr Hugo stated that they obtained permission from the board to re-test the boreholes to determine what the current supply was, as, in terms of the water affairs legislations, boreholes should be tested every 3 – 5 years. Legislation has also changed - that you should have a complete water plan, whether it is underground or surface water, your consumption, and how it is distributed. A water licence will then be issued for the whole property. They obtained new yielding certificates which was sent to a geo-hydrologist. He stated that this was not in support or against the water proposal, but to get a true reflection of what the estate has and how sustainable it could be, with the hope that the estate would be independent. The initial indication was that there might be enough water to sustain the estate, but he reminded the members that water was not an endless supply. They will proceed to do a geo-technical survey and will then advise if it would be feasible to drill another borehole or discontinue certain boreholes. When all the statistics have been gathered, we will be able to upgrade water infrastructure if and where necessary.

Mr Brownlow stated that it has been proposed and offered from Madrid Farm that, should they have enough water available, to assist Moditlo Estate with the supply of water.

Mr Hugo then commented that the same company that tested the boreholes, tested the boreholes of Madrid, at the cost of Mr Koppes (as it was his proposal), and stated that this proposal should not be scrapped as water is not an endless supply. He suggested that the geo-technical report must first be further investigated, as it was only the initial indication that there might be enough water on Moditlo Estate.

Mr Koppes stated that the proposal was not a solution, it was to do groundwork to look at further solutions going forward.

Ms Louise Worthington stated that they should address water harvesting at properties, as it could also take the pressure of the water table.

Ms Furseth commented that she was advised that it was against the rules to put a tank on her property and requested that the rules be amended, to which Ms Roets replied that it would have to be a formal resolution for the next AGM / SGM. She requested that the proposal be put forward at the next meeting.

Further to Ms Furseth's comment above, it is noted that Clause 7.16 of the Architectural Design Guidelines and Building Requirements (Revision 2021), state the following:

*No **visible** rainwater storage tanks will be allowed.*

Dr van der Merwe stated that there was an approved water plan in 2019, and he was concerned that sizes of swimming pools have been increased since then.

Ms Tracy den Dunnen queried the costs involved in the exploration, to which Mr Hugo replied that it would be approximately R25 000,00 - R30 000,00.

5. APPROVAL OF THE PREVIOUS MINUTES (APPENDIX C)

Dr van der Merwe stated that there were gaps and / or misrepresentation in the previous minutes.

He referred to the discussion regarding the record date, and stated that a part of the Company's Act was quoted, but the last section of section 59 was omitted, which read as follows:

"unless the Memorandum of Incorporation rules of the company provide otherwise"

He then stated that, as per point 3 of the minutes, there was no Attendance Register attached to the minutes

He then referred to point 4.8 and stated that, before the last AGM, Mr Albert Schmidlin and himself sent the board queries, to which the board refused to give answers to Mr Schmidlin, and according to the CIPC advisory *“every matter raised by shareholders regardless of whether advance notification was given, must be discussed at the AGM”*. Mr Brownlow replied that the board did not refuse, but advised Mr Schmidlin that, as the queries were submitted less than 24 hours before the AGM, it would not be discussed at the meeting, but answers would be provided to him in writing.

He then referred to the resolutions and stated that it was minuted that there were resolutions on the MOI section C(1.5)(9), as well as article 1(1.7)(2)(3) and article 4(4.10)(1), (2), and Architectural Guidelines 8.1, and stated that none of these resolutions were presented at the AGM. His concern towards article 1(1.7)(2)(3), regarding the rights reserved to the owners of the remainder of the land. All that was minuted was that Ms Roets stated that the HOA was advised to remove clauses as the remainder of the reserve was private property.

Mr Brownlow requested Dr van der Merwe to proceed with the AGM, the above points would be put in the minutes as objected to, and they would then be discussed at the end of the AGM, should there be members who wanted to excuse themselves from the meeting as they had other obligations they needed to attend to.

Dr van der Merwe then stated that no approval was given for the approval of the Annual Financial Statements.

After a discussion ensued between the members present, it was requested that the minutes included the steps on how to present a proposal.

Further to the request the process of presenting a proposal at the Annual General Meeting the following:

“3.2 *Members’ right to the requisition of a meeting*

*The right of **Members** to requisition a meeting, as set out in section 61(3) of the Act, may be exercised by at least 10% of the voting rights entitled to be exercised in relation to the matter to be considered at the meeting despite the provisions of that section.”*

Dr van der Merwe then stated that the reason he raised these issues, was that he had already raised in August 2021 with the board, but did not receive any response, to which Ms Candice Cary replied that the issues could be discussed at the end of the meeting.

The minutes was to be approved with modifications.

6. **REPORTS (APPENDIX D1, D2, D3):**

Dr van der Merwe queried the status regarding the road contract, to which Mr Brownlow replied that the contract for the road was nearing its end, but that a new contract was being looked at.

Dr van der Merwe then stated that, in all three reports, it was mentioned that the members do not act according to the rules and regulations, and queried that, if the board did not act according to the rules and regulations, how could they expect the members to act accordingly. It was his opinion that it was the responsibility of management to ensure the members act according to the rules and regulations. He stated that he personally forwarded five e-mails to the board regarding problems on the estate but did not receive response on any of these. He stated that, according to the MOI, the minutes of the AGM of 27 March 2021 had to be distributed within 10 business days but it was only distributed in August 2021.

7. **RESOLUTIONS**

a. **Resolution 1/2022 – Architectural Guidelines (Appendix E1)**

Ms Roets stated that, with the last AGM, it was requested that more information should be gathered regarding Chromadek roofs, and requested Ms Worthington, who drafted a proposal, to present it.

Ms Worthington stated that Chromadek is an affordable and eco-friendly material. It is corrugated iron material with many layers of protection and treatments to make it maintenance free and replace heat. It is also user-friendly should you wish to put solar panels on or install box gutters / hidden gutters for water harvesting, and the colours available, also blends well with the

bush. It is also 100% recyclable and blends with the environment, and also guaranteed for 10 years.

Mr Godfrey Phillips queried what the negative side of Chromadek was, to which Ms Worthington replied that it is not as insulated as thatched roofs, and requested Mr Martin den Dunnen's advise, as they used Chromadek, to which he replied that they used double insulation, which makes the house as cool as one with a thatched roof.

Mr John Stone then stated the pitch of the roof could also be lower than 45°.

Mr Den Dunnen queried as to what profile was being supported in the proposal, to which Mr Brownlow replied that it would need to clarify to the members what will be allowed.

Ms Kim Bird queried if allowing Chromadek would not lower the value of the properties on the estate, and Mr John Smith also stated that the members have a choice of not introducing something that can decrease the value.

Mr Willem Serfontein stated that, at the moment, solar panels could not be installed on any roof, as it has to be flat roofs and out of sight. He further stated that Chromadek has a glare, and Chromadek was also more expensive.

Ms Tracy den Dunnen stated that, in the real estate business, an estate that allowed only thatched roofs, was the worst performing estate in the business.

Ms Leanne Roberts stated that, and she was using the change of the roof structure as an example, that rules were being diverted, to which Mr Brownlow replied that it was the members' choice to vote for / against the change of the roof structure.

Mr Brownlow then requested the members to cast their vote on the ballot.

b. Resolution 2 - 7/2022 – Rules and Regulations (Appendix E2 – E7)

Ms Roets stated that resolutions 2 – 6 revolved around removing the term hiking trails, and resolution 7 referred to removing walking and cycling from the rules.

Mr Brownlow advised that this change was a safety factor, as the buffalos might also be released soon.

Mr Curteis Roberts stated that, in his opinion, animal encounters with humans are natural, but animal encounters with vehicles (with standing / sitting passengers) are unnatural.

Ms Michelle Herb stated that, when walking in a big 5 estate, you should be accompanied by a qualified guide carrying a rifle, and should it happen that an animal attacks a person, that animal would unfortunately have to be put down.

Dr van der Merwe then stated that, if there were no walking and cycling allowed because of the danger, it should also be stated that residents are not allowed outside their houses, as he encountered dangerous animals outside of his house.

Dr van der Merwe then queried the content of resolution 5 (*“only to traverse on the existing road system”*) and resolution 7 (that does not allow it) and stated that these two proposals were contradictory. He proposed that resolution 5 be scrapped.

Mr Div Lamprecht stated that there were two kinds of properties on the estate, which was the private stands of the owners, where they were responsible for the safety of their guests, and the common property. According to Act 35 of 1993, the owners of the respective properties are responsible for the safety of the people on that property. If hiking trails etc. are being allowed, then the Landowner and / or the HOA (allowing this in their rules) could be sued for a claim for somebody killed by an animal on the estate. He further stated that, should they allow hiking / walking etc. for residents / guests, then it should also be allowed for contractors, and the more people that are moving between properties on the estate, the bigger the security risk will become.

Mr John Stone proposed that guided walks, with a qualified person carrying a rifle, should be offered, to which Mr Brownlow replied that the lodges did offer to take residents on game drives with a qualified person.

Ms Jessica Verster proposed that, should members wanted to walk / cycle, they could do it on the service road that is just on the outside of Moditlo's fence between the Blue Canyon gate and the main gate.

Mr Wayne te Brake queried if, should a member wanted to walk, it would be for that person's own risk, and that person should then sign an indemnity form that indemnify the land owners, as it was his opinion that, even though Moditlo is a nature reserve, it is still a housing estate.

Ms Louise Worthington proposed that the Conservancy should make the decision of no walking / hiking trails, as they are the owners of the game on the estate and should make the decision of putting an animal down should that animal attack / kill a human. Mr Brownlow queried Mr Pieter Janeke what the policy of the Conservancy was with regards to an animal that attacked / killed a human, to which Mr Janeke replied that, should something like that occur on the estate because of an individual's negligence, it would unfortunately be to the detriment of the value of the estate, and the animal would then have to be put down.

Mr Brownlow then proposed that resolutions 2 – 7 should be scrapped, and they would then consult with the Conservancy regarding these matters.

8. APPROVAL OF AUDITED FINANCIAL STATEMENTS (APPENDIX F)

Dr van der Merwe raised the following queries:

- He referred to page 2 and stated that in the AFS it was noted that there was no company secretary appointed, and in the previous AGM, a company secretary was appointed. Ms Roets replied that there was an appointed company secretary.
- He referred to paragraph 9 (Accumulated Surplus) and stated that it showed a decrease during the past three years.
- He referred to paragraph 10 (Cash & Cash Equivalents) and stated that it also showed a decrease during the past three years.

Ms Furseth then queried if the amounts went down due to the reduction in levies during the Covid pandemic, to which Mr Brownlow replied that that was the reason, but the levies was adjusted to the normal amount in October 2021.

Mr Willem Pieterse then stated that, because of the AFS that was incorrect (balance sheet did not balance), and they could not continue to discuss the AFS, as the error first needed to be found and amended, to which Ms Roets replied that she would consult with the auditors and provide answers when distributing the minutes.

- Dr van der Merwe then continued and referred to page 19 (Reserves) and quoted from the MOI and AFS: *“A reserve fund, approximately the annual operation expenses will be established and maintained. The reserve fund may only be utilised upon a special resolution by the members of the company. Once used, it must be replenished by at least the amount used for maintenance and repairs in the preceding year.”* He queried the use of the Reserve Fund for the MRRF budget.
- He referred to page 20, paragraph 11, and queried the amounts of “Levies in Advance” and “Levies in Arrears” (directly below each other) that was the same amount.
- He referred to page 22, paragraph 17 (Finance costs) and queried the payments and calculations of the tax payments, to which Mr Willem Pieterse replied that interest is charged by SARS on under declaration of Taxable Income during Provisional payments, and not always possible to forecast this correctly.
- He then referred to page 24, paragraph 19.2, and queried the amount of R170 775,00 paid to Mr Bernard Koppes, to which Ms Roets replied it was for services delivered (fence patrols). Dr van der Merwe also queried the amount of R34 500,00 interest paid by Mr Koppes (same line), to which Ms Roets replied that it was incorrectly allocated by the auditors.
- He then referred to page 25 (Management Fees) and queried to whom the amount of R521 226,00 was paid. Ms Roets replied that she would consult the auditors as to how they calculated this amount.

Mr Trevor Thompson raised his concern regarding the questions being asked and answers could not be provided on all of the questions, and proposed that, at the next AGM, an appointed finance person could give a proper and professional presentation of the finances.

Mr Brownlow proposed that, as there were concerns regarding the AFS, the budget would not be discussed at the AGM, but rather at the next AGM / SGM, and they would also request the auditors be present for the discussion of the financials.

9. ESTIMATE OF INCOME AND EXPENDITURE (APPENDIX G1 & G2)

9.1 Security proposal (Appendix G3)

Mr George Brownlow stated that security proposals from five companies will be obtained, and the companies will present their proposals at the SGM.

Ms Candice Cary queried the delay of appointing a security company, as it was discussed at the previous AGM, to which Ms Roets replied that it was only a presentation that was given, and it was the At-The-Gate system that was approved.

Dr van der Merwe stated that, at the previous AGM, a third proposal from Mr Paul Buys was received regarding doing an independent security assessment, and it was also accepted.

He then queried if the ATG-system was linked to the HOA’s database, to which Ms Roets replied yes. He then stated that he disagreed as his sister who visited him during December 2021 and drove with his car, was scanned every day, but not asked any questions.

He also queried regarding where the information that was gathered was downloaded, as he did not give any permission that his personal information may be divulged. He then queried who the Information Officer of the HOA was, to which Ms Roets replied she was, and when he queried if she was appointed, she confirmed that she was.

A poll vote took place on resolutions and proposals to be passed the outcome of which is noted as follows:

Proposals:	Y=YES / N=NO / A=ABSTAIN		
	Y	N	A
Electrical Generation	29	29	141
Water Supply	98	3	98
Security	184	4	9

Resolutions 1 – 7/2022:			
	Y=YES / N=NO / A=ABSTAIN		
	Y	N	A
Resolution 1/2022 – Chromadek	37	70	92
Resolution 2/2022 – Removal of hiking trails	Modification required		
Resolution 3/2022 – Removal of hiking trails	Modification required		
Resolution 4/2022 – Replace paths with roads	Modification required		
Resolution 5/2022 – Removal of pedestrians may traverse on footpaths	Modification required		
Resolution 6/2022 – Removal of hiking trails	Modification required		
Resolution 7/2022 – Removal of walking, cycling	Modification required		

10. APPROVAL OF:

a. Levy Payment in Advance

Will be presented at next AGM / SGM.

b. Arrear levy: Action Taken

Will be presented at next AGM / SGM.

c. Allocation of Payments

Will be presented at next AGM / SGM.

11. APPOINTMENT OF:

a. Auditor – Ferreira, Venter, Laws and Nel

Dr Paul van der Merwe objected to the appointment of Ferreira, Venter, Laws and Nel.

b. Legal Advisor – Chris Steyn

Dr Paul van der Merwe objected to the appointment of Mr Chris Steyn.

12. ELECTION OF DIRECTORS:

a. Determination of Number

Ms Roets stated that an amount of 15 nominations were received, all which was paid up at the time of their nominations, and all accepted their nominations.

b. Election of Directors (Separate ballot)

It was confirmed that the votes were counted and nine new Directors which received majority votes via Ballot Paper and Electronic Votes and therefore elected as members of the Board of Directors was confirmed as follows:

Director elected:	Number of Votes Received
Alan Hiatt	162
Bernard Koppes	177
Craig Carnaby	159
Godfrey Phillips	157
Ian Oliver	125
Lorna Zoghby	186
Piet Scheepers	170
Pieter Janeke	169
Willem Pieterse	176

13. CONFIRMATION OF THE REGISTERED ADDRESS OF THE COMPANY:

The registered address of the company was confirmed as:

MODITLO ESTATE, R40 HOEDSPRUIT

MODITLO ESTATE

PO BOX 1654

HOEDSPRUIT

1380

14. CLOSING:

There being no further matters under discussion, the Chairperson thanked the members for having attended the meeting and closed the meeting. He requested the members who wanted to discuss further matters, to stay behind.