



BANTRY COURT SHARE BLOCK LIMITED

MINUTES OF THE TWENTY-FIRST ANNUAL GENERAL MEETING OF SHAREHOLDERS HELD AT THE AMBASSADOR BY THE SEA HOTEL, VICTORIA ROAD, BANTRY BAY ON 8 JUNE 2009

PRESENT: I Sacker (Chairman)
D S Cameron
J W Maree
E L Reppert
E M Strickland
Nineteen shareholders representing 26 weeks in person
Fifty-four shareholders representing 195 weeks represented by proxy

APOLOGIES: Apologies were received from two shareholders

IN ATTENDANCE: F J Jenkins (representing Ovland Management Services (Pty) Ltd)

The Chairman welcomed the shareholders to the meeting and announced that, as a quorum was present, the meeting was duly constituted. It was unanimously agreed to take the notice of meeting as read.

The Annual Financial Statements, Report of the Directors, and Report of the Auditors for the year ended 31 December 2008 were tabled. On a motion from the chairman, the meeting unanimously agreed to take these as read.

The chairman opened the meeting to questions regarding the Annual Financial Statements.

- Mr. Levitt queried why the detailed Income Statement did not form part of the Auditors Report. Mr. Jenkins advised that it was normal practice for auditors to exclude the detailed Income Statement from their report, as they do not do a detailed audit of every transaction.
- Mr. Levitt expressed the view that the Income Statement did not provide sufficient detail, with particular reference to items such as repairs and maintenance. It was agreed that the detail, as contained in the monthly management reports would be forwarded to him, and any other shareholder requesting it, within seven days.
- Mr. Nel raised a question regarding the high percentage increase in certain expense items. It was pointed out that the increase in "Printing & Stationery" related to a change in the computer systems which resulted in the write-off of old stationery which was previously carried as stock. The increase in "Utilities" related to increases in municipal water, sewerage & refuse costs.
- Mr. Williams queried the fact that there was no "Fair Value Adjustment" in this year's Financial Statements. Mr. Jenkins advised that the property was independently valued every year. As there had been a softening in the property market since the last revaluation, the valuer had deemed it prudent not to increase the value in 2008.
- Mr. Levitt queried the discrepancy between the market value and insured value of the property. It was pointed out that the insured value relates to the actual replacement cost,

which is determined from time to time by a qualified quantity surveyor, while the market value is what a willing buyer will pay a willing seller.

- Mr. Levitt queried whether the company had sufficient cash resources to meet its commitments. It was pointed out that, although the net current assets at yearend were low, the budget allowed for a build up of reserves in the current period. The reserves had been depleted by the replacement of the lift (over R300 000), without raising any special levies, as well as the major renovations of bathrooms and kitchens (over R200 000).
- Mr. Levitt raised the question of Directors' emoluments. He expressed the view that he knew of no similar establishment that paid salaries to Directors, as well as fees to Managing Agents. The directors should only be attending 4 meetings a year at which the direction is set, and the managing agent, together with the resort management should run the affairs of the company in the intervening period. He suggested that should he and Mr. Hodes be elected to the Board, they would forego such fees for the ensuing year. After lengthy and lively debate it was resolved that no directors' emoluments would be paid for the ensuing year, but that directors be compensated for fair disbursements.

Ms. Andrews then seconded the motion by the chairman that the Annual Financial Statements, the Report of the Auditors, and all the acts taken by the directors during the year ended 31 December 2007, be approved. The motion was carried with Mr. Levitt registering the only dissenting vote.

The chairman tabled the schedule of insurances for 2009 and asked if there were any questions relating to the insurance schedule.

As there were no further questions on this issue, on a motion by the chairman, seconded by Mr. Jacobs, it was resolved that the schedule of insurance values for 2009, as determined by management in collaboration with the company's brokers and as set out in the notice convening the meeting, be approved. Mr. Levitt recorded an abstention on this vote.

The chairman advised that, in terms of the Company's Articles of Association, all the directors retire annually at the Annual General Meeting. All the existing directors had made themselves available for re-election. In addition the following nominations had been received:

- Mr. I Levitt
- Mr. L Hodes
- Mrs. I Brenner
- Mr. A J I van Greunen

In terms of a resolution passed at a previous Annual General Meeting, the maximum number of directors had been determined as five. A suggestion had been received from a shareholder that the size of the board be reduced. After a lengthy debate, it was resolved, on a motion from Ms Andrews, seconded by Mr. Wengrove, that the board remains at 5 members.

A question from the floor was put to the incumbent directors if they were willing to stand for re-election, having to forego the fees paid in previous years. All agreed to stand for re-election.

The chairman suggested that the meeting vote on a show of hands. Mr. Levitt requested, however, that the voting be conducted by way of a poll. Poll papers were circulated and after the votes were counted the following were elected to the board for the ensuing year:

- I Sacker
- D S Cameron
- J W Maree
- E L Reppert
- E M Strickland

On a motion from the chairman, seconded by Mr. Strickland, it was resolved, with one abstention, that the auditors' remuneration for the past audit, as set out in the Notice Convening the Meeting be approved.

There being no further statutory business, the chairman invited comments and questions from the floor.

- Mr. Nel asked the Board to pay particular attention to costs, as many shareholders were finding that the levy cost was becoming unaffordable.
- Mr. Van Greunen queried whether there would be opportunity to let units during the 2010 World Cup. Mr. Daly advised that we could not sign up with the official letting agency as there was no way of knowing how many units would be available. In addition, as the World Cup fell within the Flexi period, owners had the ability to swap into those weeks if they so chose. Once it had been determined which units would be available during that period, every effort would be made to let them.
- Mr. Levitt suggested that the Board invite tenders for a new management company. When it was pointed out that the existing management company has a contract to the end of 2011, he expressed the view that tenders should still be called for to see what alternatives are available. Some management companies may well be prepared to buy out the existing contract. In any event, the Board should make themselves aware of what alternatives are available when the existing contract expires.
- Mr. Jenkins advised that a written request had been received from a shareholder, that the cleaning services at the resort be reduced to once a week to save money. The matter was debated by the shareholders present, and Ms. Andrews suggested that cleaners be given Sundays off. Both proposals were rejected by an overwhelming majority
- Ms. Williams requested that consideration be given to replacing the sleeper couches. It was reported that this is already being attended to, as part of the normal unit upgrade process.
- A written request from a shareholder that the Annual General Meeting in future be held on a weekend was unanimously rejected by all present.
- A suggestion had been made by a shareholder that the resort develops an energy saving proposal. It was pointed out that the question of energy saving was addressed on an ongoing basis and wherever possible energy saving processes were implemented. However, as a result of the design and age of the property, many energy saving initiatives, such as solar heating, could not be implemented.

Mr. Cameron expressed the thanks of all shareholders to the Chairman, Management Company and Resort Management for the effort put in during the past year.

THERE BEING NO FURTHER BUSINESS, THE CHAIRMAN THANKED THE MEMBERS FOR THEIR ATTENDANCE AND DECLARED THE MEETING CLOSED AT 18h08. MEMBERS WERE INVITED TO JOIN THE BOARD FOR REFRESHMENTS.

CONFIRMED



CHAIRMAN