

**MINUTES OF THE ANNUAL GENERAL MEETING OF THE MABALINGWE
NATURE RESERVE SHARE BLOCK LIMITED HELD AT
MABALINGWE CONFERENCE CENTRE ON THE 18TH OF SEPTEMBER 2010 AT 09H00**

PRESENT:

MEMBERS AS PER THE ATTENDANCE REGISTER

DIRECTORS:

JW MEYER	(JWM)
MC BARNARD	(MB)
JS WESSELS	(HW)
J VAN NIEKERK	(JVN)
J J JORDAAN	(JJJ)

AUDITOR:

BEN DU TOIT	(BDT)
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BY INVITATION:

JOAN JACKSON	(JJ)
MA FORSSMAN	(MF)
MB SCROOBY	(MS)
D HERHOLDT	(DH)
C VAN DEN BERG	(CVDB)
M GRIFFIN	(MG)

1. OPEN AND WELCOME

The Chairman requested Matie Barnard to open the meeting in prayer, and thereafter welcomed everyone present.

2. APOLOGIES / PROXIES / QUORUM

The Chairman confirmed that 36 apologies and 28 proxies had been received representing 1862 votes, and as due notice of the meeting had been sent timeously, and as a quorum was present, that the meeting was therefore properly constituted.

3. CONFIRMATION OF THE MINUTES OF THE AGM HELD ON 12 SEPTEMBER 2009

The meeting accepted the minutes of the previous AGM, which had been approved and signed at a Directors meeting held on the 23rd of November 2009.

4. CONFIRMATION OF THE MINUTES OF THE GENERAL MEETING HELD ON 12 SEPTEMBER 2009

The meeting accepted the minutes of the General Meeting, which had been approved and signed at a Directors meeting on the 23rd of November 2009.

5. MATTERS ARISING FROM THE PREVIOUS MINUTES

There were no matters arising from the previous minutes.

6. ACCEPTANCE OF THE CHAIRMAN'S REPORT

The Chairman's Report having been circulated was taken as read and discussed.

Members raised the following points for discussion:

Some of the Members were concerned that they were prohibited from walking freely on the Resort. The Chairman pointed out that Mabalingwe was a nature reserve and that the fact that there was big game on the resort entailed a certain risk. In addressing the members, he asked HW to address the concerns of the members in relation to the inherent dangers of the wild life. HW pointed out that members were permitted to hike as long as the hikers stayed on the hiking trails, and bearing in mind that they did so at their own risk, and that the Company could not accept any liability in this regard. HW also referred to previous unfortunate incidents on the resort, involving wild animals and guests. HW again stressed that feeding the monkeys and wild pigs still offered the largest threat to the peaceful co-existence of man and beast. HW also referred to the increased incidence of rhino poaching which had become a major problem and a concern. The rhino horns are "chipped", but that would only assist the police in identifying the origin of the horn once it had been removed from the animal and transported elsewhere, it could not assist in the fight against poaching.

The Chairman thanked HW for his input, and reiterated the appeal that members and their guests desist from feeding the animals, as once the animals linked humans to being a source of food, the habit could not be "unlearned", and the animal's life and the human's safety were both compromised.

The members accepted the explanations and undertakings by the Board and accepted the Chairman's report and confirmed the actions of the Directors.

7. ACCEPTANCE OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

The Chairman requested the Auditor, Ben Du Toit of Van Sitterts, to present the annual financial statements.

BdT duly discussed the statements and referred specifically to the assets that were currently valued at a conservative R25m, but as the balance sheet represented assets that were encumbered by a Use Agreement, the value was academic. However, the buildings were insured at their replacement value as per the insurance schedule. The cash at R14m was due to the advance payment of levies, which was reflected as a liability, and the total distributable and non distributable reserves at R24 million.

After presenting the reports, he opened the floor for questions, and the following questions were raised:

Members required clarification of the following items:

- "equity":
BdT explained that this term was previously used to refer to "Shareholders interest", or more descriptively, the "net assets" belonging to the members.
- "Receipts from customers":
BdT explained that this referred to Levy contributions from Members, which figure currently, showed the levies paid as at the 31 December for the next year.

- The decrease in “cash receipts”:
BdT confirmed the Member’s comment that it appeared as if members were not paying their levies as quickly as before.
- “The difference in staff welfare comparison between 2008 and 2009:
As this was an operational issue, and not an audit issue, BdT requested Mr, J Van Niekerk to explain the variance. JvN explained that the reason for the marked difference was that the staff used to be employed by contractors, but due to the restructuring of the company, they were now employed by the Share Block itself. This meant that some of the expenses that were previously reflected under other expense codes which had now diminished, but the overall net effect was nominal, as could be seen when comparing the annual totals for the two years.

As there were no further questions relating to the financial statements the meeting accepted the proposal that the Annual Financial Statements, the Auditors report and the Directors report for the year ended 31 December 2009 be accepted.

Resolved by unanimous resolution:

That Financial Statements, the Auditors report and the Directors report for the year ended 31 December 2009, be accepted.

8. APPROVAL OF AUDITOR’S REMUNERATION

The meeting accepted the proposal that the Auditor’s fees for the past financial year be approved and paid.

Resolved:

The Auditor’s remuneration for 2009 was approved and payment sanctioned.

9. APPOINTMENT OF AUDITORS

The meeting accepted the proposal that Van Sitterts be re-appointed as the Auditors for the ensuing financial year.

Resolved by Unanimous Resolution:

That Van Sitterts is appointed as the Auditors for the ensuing financial year.

10. APPROVAL OF INSURANCE WITH OR WITHOUT AMENDMENTS

The Chairman referred the members to the insurance schedule which had been circulated as part of the AGM pack, and gave a brief background as to the fire claim in respect of the restaurant and the lessons learned.

The meeting then discussed the increase in insured values, and the following pertinent points were raised:

The Chairman noted that the focus was to ensure that the insurance was adequate to cover both the repair and replacement of the damaged buildings, and provision has to be made for the removal and re-establishment of the terrain.

The Chairman then called on Joan Jackson, the insurance broker, to outline the process regarding the restaurant claim, and the way in which the claim had been handled, and her recommendations to the members arising from the experience.

JJ commented that the Share Block had adequate insurance, and as a result the full claim was paid out in record time. She noted that the first R2m was made available within a week after the claim was submitted. She complemented the management team who worked closely with her to

drive the whole claim process. Following on the settlement of the claim the team was then tasked by the Board to re-look at the insurance needs and risks on a line item basis. As is industry practice, there was an increase in the premium due to the fire claim, as the insurer now regarded the property as a higher liability than before. It was noteworthy that the liability had not been increased in the past 4 years, and this meant that the increase was a comparatively small one. JJ complimented VRS on compiling a photographic record of each insured item, and this now would be used to speed up the assessment and settling of claims, JJ further commented that this concept would now be applied at other properties as well.

The Chairman thanked JJ for her assistance and efforts in settling the claim in record time, and also her assistance in establishing correct values for all insured items. The Chairman then opened the floor for questions.

A Member enquired whether the plan was to eventually extend the new type of roofing tile used in the re-building of the restaurant, to all the chalets. The Chairman replied that this was indeed the plan. A final decision on the product type had not yet been taken as the use of the Savuti tile was a first vs. the use of the Harvey tile, which had a proven track record in the industry and also had a marked impact on the insurance premiums because of the reduced fire risks of tile vs. thatch. It had been proven at other properties that the cost of the conversion to tiles could eventually be recouped from the reduced premiums.

The re-tiling of the Chalets would begin next year, at the rate of one chalet per month, the process could not easily be accelerated, due to the fact that the chalet being worked on had to be taken out of commission for that period, which would affect the members owning weeks in that chalet.

The meeting accepted the proposal that the insured values and premiums, and the conclusion of the restaurant claim be accepted.

Resolved by Unanimous Resolution:

That the insured values, the premium and the conclusion of the restaurant claim were unanimously accepted.

11. DETERMINATION OF NUMBER OF DIRECTORS

The Chairman confirmed that the previous AGM had fixed the number of Directors at 5, and as there was no resolution to amend the size of the Board, the Board would remain at 5 Members, two Directors being elected by Members, and three Directors appointed by the Developer.

12. ELECTION OF DIRECTORS

The Chairman advised that MC Barnard, a current Director, had recently purchased the shares and interests of Waterberg Property Management, which was the appointed Managing Agent of the HOA. In order to avert any possible conflict of interest, he had elected to resign from the Mabalingwe Board. The Chairman thanked MB for his input and dedication during his term in office, and wished him every success in the future.

JWM confirmed that as MB was standing down, there was a Developers vacancy on the Board, and that a single nomination had been received, being Mr. Pieter Erasmus.

HW gave a brief overview of PEs' experience and position in the Boschpoort Group, and introduced him to the meeting.

Resolved by Unanimous Resolution (on a show of hands):

That Mr. Erasmus be elected to the Board of Directors.

The Chairman congratulated Mr. Erasmus on his appointment, and welcomed him to the Board.

The Chairman advised that the formal portion of the meeting was concluded, and closed this section of the meeting, and opened the floor to questions of a general nature.

13. GENERAL

13.1 Astronomic Observation Site:

Mrs. Stuart requested the approval of the members for a concrete slab to be constructed at the Piri Bush camp, for the purpose of having an even base to mount telescopes and computers used in astronomic observation.

The Chairman thanked Mrs. Stuart for the proposal and confirmed that this matter would be placed on the agenda for the next Directors meeting, as Piri was an adjoining development.

13.2 Interest on Arrear Levies:

JWM referred to an objection raised by a Mr. Joubert, re having to pay interest on his arrear levies, which was due on the 1st January each year. He submitted a letter, stating that as his week fell in the latter part of the year, he should only be liable for levies immediately prior to occupation.

The meeting confirmed the previous Special Resolution, that with the change in year end, the levies were all due and payable in advance on the 1st of January of each year. Any interest earned by the Company was regarded as third party income, and after tax had been paid on the amount, the balance was placed in the reserve fund to fund future capital expenditure.

The Chairman put the question to the members whether this member should be exempted from paying interest on the arrears, adding that the Board was of the opinion that the rule should apply to everybody without exception.

On a show of hands, which in effect represented 70% of the total votes in the Company, the meeting was unanimous in its acceptance of the fact that all members were subject to interest being paid on arrears, and that no exceptions could be made at the expense of the other members. JWM confirmed that a memo to this effect would be forwarded to the Member concerned.

14. VOTE OF THANKS AND CLOSING

The Chairman requested Marjorie Forssman, the Managing Director of VRS to hand over the recognition plaques awarded to Diedrick Herholdt, the Resort Manager, namely being amongst the top 10 Resort managers in the country, and for Mabalingwe achieving Gold Crown status.

The Chairman thanked the members for attending, VRS and the resort staff for their passion and effort, and the Board of Directors for their strategic guidance. He also thanked the Auditors for their input, and Joan Jackson for the handling of the Restaurant Fire Claim, and then closed the meeting.

Signed at Mabalingwe on the 12th day of October 2010.


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JW Meyer
(Chairman)