
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

- i. If you are uncertain as to what action to take, you are advised to consult your attorney or other professional advisors.
 - ii. If you are unable to attend the annual general meeting to be held on Tuesday the 15 November 2011 at 18:00 at the Kleine Zalze Conference Centre, De Zalze Winelands Golf Estate, you should complete and return the attached form of proxy and Director's Nominations to the office of the Association at De Zalze Winelands Golf Estate by hand, or by mail to PO Box 338, Stellenbosch, 7599, or by email, ensuring that every page of the required documents are signed by the registered member, to be received by no later than 18:00 on Friday 11 November 2011 in accordance with the instructions provided herein. Email address: pa@dezalzeestate.com
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DE ZALZE WINELANDS GOLF ESTATE HOME OWNERS ASSOCIATION (NPC)

Registration number 2003/009588/08
(Incorporated in the Republic of South Africa)
("the Association")

CIRCULAR TO MEMBERS

regarding

- the approval of the annual financial statements for the year ended 28 February 2011
- the appointment and remuneration of auditors
- the election of Directors
- the passing of special resolutions in the matter related to the Association and D Opperman (erf 239) and a resolution to amend the Articles of Association.

and incorporating

- a notice of annual general meeting of members
 - an agenda for annual general meeting of members
 - homeowners' Director nomination form 2011
 - a form of proxy
 - the annual financial statements for the year ended 28 February 2011
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CIRCULAR TO MEMBERS

1. INTRODUCTION

The purpose of this document is to provide members of the Association with all the necessary information in order to enable them to make an informed decision at the forthcoming annual general meeting to be held on 15 November 2011.

2. DIRECTORS

In terms of the Association's Articles of Association, the maximum number of Directors is seven. A Director holds office as such from the date of his/her appointment until the first annual general meeting following his/her appointment, or, at his/her discretion, until the second annual general meeting following his/her appointment, at which annual general meeting the Director shall be deemed to have retired from office, provided that where the Directors have appointed a person as a Director in terms of Article 26.6 to fill a casual vacancy, such Director shall retire at the first annual general meeting following his appointment, but shall be eligible for re-election.

Mr. Eben Potgieter and Mr. Deon Allen will be retiring at this annual general meeting, with, Mr. Eben Potgieter indicating that he will stand for re-election. Messrs. Marius Claassen, Rean Smit, Pierre Pienaar and Owen Dean were elected as Directors at the previous annual general meeting held on 31 August 2010 and have elected not to retire at this annual general meeting.

Members will therefore be requested to consider the appointment of three Directors to bring the number of Directors to the maximum of seven Directors as stipulated in the Articles of Association.

In the event that a member wishes to propose a person for election as a Director of the Association, the Articles of Association require that the nomination of such person has to reach the office of the Association not more than 14, but at least 7 clear days before the date on which the annual general meeting will take place, i.e. by no later than 18:00 on Sunday 6th November 2011. The aforesaid notice setting out the member's intention to propose a specific person for election as a Director should also contain confirmation in writing by the proposed person of his/her willingness to be elected. Members will be advised on Monday 7th November 2011 of the particulars of persons who have been duly nominated to stand for election as Directors at the annual general meeting, enabling members to instruct their proxies or representatives in regard to the election of Directors.

3.1 SPECIAL RESOLUTION & VOTING ON RULING BY ARBITRATOR C FICK IN MATTER BETWEEN THE ASSOCIATION AND D OPPERMAN IN RESPECT OF ERF 239

An owner on the Estate, D Opperman, purchased Erf 239 from Richard Paul Lindes, ID 690910 5210 088 in 2005. An unregistered servitude pipeline runs across Erf 239, in favour of the Stellenbosch Municipality, for drainage of storm water emanating from land positioned higher up.

A dispute arose between the Association and Mr. Opperman, regarding payment of penalty levies due to late completion of construction work on Erf 239, which dispute was resolved by arbitration on 26/07/2010 in a ruling by the Arbitrator Chris Fick.

In terms of the ruling Mr. Opperman is liable for the penalties and interest, on condition that the Association does everything in its power to address the issue of the relevant pipeline with the Developer and/or Local Authority (being Stellenbosch Municipality) with a view to assisting Mr. Opperman to resolve the problem. The Board of De Zalze Winelands Golf Estate has in its opinion, exhausted all reasonable avenues available to it to assist with D. Opperman in resolving the matter of the servitude pipeline running across Erf 239, De Zalze. Mr D Opperman disagrees with the HOA opinion.

Members will therefore be requested to consider the facts presented and resolve whether Mr Opperman should be liable for the outstanding levies to the amount of R53,672.34.

3.2 AMENDMENT TO THE ARTICLES OF ASSOCIATION

The following proposed amendment to the Articles of Association are being submitted for approval as special resolutions at the annual general meeting, in response to issues raised by the Board of Directors.

Notices

Presently any notice or other document may be served by the Association upon any member by delivering it to him personally or by sending it by post in a prepaid letter, envelope or wrapper, addressed to such member at his registered address.

It is proposed to amend the Articles to include electronic mail as another means to serve documents to the members of the Association resulting in a more effective form of communication.



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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of members of the Association will be held at the Kleine Zalze Conference Centre, De Zalze Winelands Golf Estate at 18:00 on 15 November 2011 for the purpose of considering and, if deemed fit, of passing, with or without modification, the following resolutions –

1. Ordinary Resolution Number One

"RESOLVED THAT the Annual Financial Statements of the Association and the Directors' report for the year ended 28 February 2011, be and are hereby approved and accepted."

2. Ordinary Resolution Number Two

"RESOLVED THAT Messrs PriceWaterhouseCoopers Inc be re-appointed as auditors of the Association for the ensuing year and that the auditors' remuneration be determined by the board of Directors."

3. Ordinary Resolutions Number Three (3.1-3.3)

"RESOLVED THAT the following persons for whom nominations were received in conformance with Article 26.4 of the Articles of the Association of the Association be and are hereby elected as Directors of the Association."

4. Special Resolution Number One

"RESOLVED THAT the Board and members are required to vote on whether D.Opperman should settle the amount outstanding of R53,672.34

The reason for and effect of Special Resolution No 1 is due to the fact that the Board of De Zalze Winelands Golf Estate has in its opinion exhausted all reasonable avenues available to it to assist with D. Opperman in resolving the matter of the servitude pipeline running across Erf 239, De Zalze, as required by the Arbitrator in terms of the dispute.

An owner on the Estate, D Opperman, purchased Erf 239 from Richard Paul Lindes, ID 690910 5210 088 in 2005. An unregistered servitude pipeline runs across Erf 239, in favour of the Stellenbosch Municipality, for drainage of storm water emanating from land positioned higher up.

A dispute arose between the association and Mr. Opperman, regarding payment of penalty levies due to late completion of construction work on Erf 239, which dispute was resolved by arbitration on 26/07/2010 in a ruling by the Arbitrator Chris Fick.

In terms of the ruling Mr. Opperman is liable for the penalties and interest, on condition that the association does everything in its power to address the issue of the relevant pipeline with the Developer and/or Local Authority (being Stellenbosch Municipality) with a view to assisting Mr Opperman to resolve the problem. Mr. Opperman did not buy the Erf from the Developer, and has no contractual relationship with it. The Association therefore has no contractual connection with the Developer or any other party that enables it to make any demands on any such party on behalf of Mr Opperman, to require it to take any remedial action in regard to the situation.

The Local Authority was requested to move the pipeline as far back as 2005, which they were unable or unwilling to do. Any claim that Mr Opperman might have had against the Local Authority in this regard therefore, prescribed by the end of 2008. Despite this situation the Board engaged with the Stellenbosch Municipality and presented plans for an alternative run-off of storm water on to the neighbouring Waldorf property which would have made the pipeline redundant. The Municipality agreed to this solution, subject to the consent of the owner of the Waldorf property to receive the water being forthcoming.

As the Waldorf property is in the process of a development application, the owner was not prepared to consent to the alternative proposal. Despite using its best efforts the Board is unable to find any other means for Mr Opperman to resolve the matter and has in its opinion exhausted all reasonable avenues available to it to assist Mr. Opperman in this regard. The Board submits that in the premises the condition imposed by the arbitrator for full payment to be made by Mr Opperman has been met and Mr Opperman is now liable for such payment which is now due. In the premises, the Board requires the Association to pass the resolution set out above.

Amount outstanding as at 31 October 2011:

Penalties	R35 000.00
Interest	<u>R18 672.34</u>
Total	<u>R53 672.34</u>

5. Special Resolution Number Two

"RESOLVED THAT Article 32.1.2 of the Articles of Association be amended by the deletion of the existing Article 32.1.2 and the substitution therefore of the following new Article 32.1.2:

"32.1.2 sending it via electronic mail or by post in a prepaid letter, envelope or wrapper, addressed to such member at his registered address."

The reason for and effect of Special Resolution No 2 is to amend the Articles to include the sending of notices to members by means of electronic mail resulting in a more cost effective form of communicating with members.

By order of the Directors

DE ZALZE WINELANDS GOLF ESTATE HOME OWNERS ASSOCIATION (NPC)

Chairman: Eben Potgieter

Date: 21 October 2011

Registered office and postal address

**De Zalze Winelands Golf Estate
Strand Road, R44
Stellenbosch**

**PO Box 338
Stellenbosch 7599**



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AGENDA FOR ANNUAL GENERAL MEETING 15 NOVEMBER 2011

- 1 WELCOME AND APOLOGIES**
- 2 CHAIRMAN'S REPORT**
- 3 ANNUAL FINANCIAL STATEMENTS**
- 4 APPOINTMENT AND REMUNERATION OF AUDITORS**
- 5 APPOINTMENT OF DIRECTORS**
- 6 SPECIAL RESOLUTIONS**
- 7 GENERAL**
 - 7.1 Rules on the Estate pertaining to animals**
 - 7.2 Rules on the Estate pertaining to fines**
 - 7.3 Security Overview**
 - 7.4 New late building penalties**



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HOMEOWNERS' DIRECTOR NOMINATION FORM 2011 FOR ANNUAL GENERAL MEETING: 15 NOVEMBER 2011 AT 18:00

[THIS NOMINATION FORM MUST BE ACCOMPANIED BY A BRIEF CV OF THE NOMINEE]

I, _____, am a homeowner of the De Zalze Estate
and I hereby nominate the person mentioned below as a Director of the Home Owners Association.

NAME: _____

MOTIVATION: [Brief motivation on nominee by proposer + Brief CV of nominee attached hereto]

Proposed By: _____ (Print Name)

_____ (Signature) Date: _____

Seconded By: _____ (Print Name)

_____ (Signature) Date: _____

Accepted By: _____ (Print Name)

_____ [Signature] Date: _____



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FORM OF PROXY FOR ANNUAL GENERAL MEETING: 15 NOVEMBER 2011 AT 18:00

A member entitled to attend and vote at the annual general meeting is entitled to appoint one or more proxies to attend and speak and vote thereat in his stead, and that proxy must also be a member of the Association.

All forms of proxy must be lodged with the company secretary at the offices of the Association, **De Zalze Winelands Golf Estate or PO Box 338, Stellenbosch 7599**, to be received by no later than **Friday 18:00 on 11 November 2011**.

"I/We, _____ of _____ being a member(s) of De Zalze Winelands Golf Estate Home Owners Association NPC, hereby appoint _____ of _____ or failing him _____ of _____ or failing him _____ of _____ or failing him the chairman of the annual general meeting as my/our proxy to vote for me/us and on my/our behalf at the annual general meeting of the Association to be held at the Kleine Zalze Conference Centre on Tuesday 15 November 2011 and at any adjournment thereof.

Please indicate with an "X" in the appropriate space below how you wish your votes to be cast. If you return this form duly signed, without any specific directions, the proxy shall be entitled to vote as he/she thinks fit

	In favour of Resolution	Against Resolution	Abstain From voting
1. Ordinary resolution number one –annual financial statements			
2. Ordinary resolution number two – auditors and their remuneration			
3. Ordinary resolution number 3.1– election of a Director			
4. Ordinary resolution number 3.2 – election of a Director			
5. Ordinary resolution number 3.3 – election of a Director			
7. Special resolution number one – C Fick / D Opperman ruling			
8. Special resolution number two - Article 32.1.2 of the Articles of Association be amended to include electronic mail			

Signed at _____ this _____ day of _____ 2011.

Signature _____

(PLEASE READ THE NOTES ON THE FOLLOWING PAGE)

NOTES TO FORM OF PROXY:

SUMMARY OF MEMBERS RIGHTS IN RESPECT OF PROXY APPOINTMENTS AS CONTAINED IN SECTION 58 OF THE 2008 COMPANIES ACT

Please note that in terms of section 58 of the 2008 Companies Act:

- this proxy form must be dated and signed by the member appointing the proxy;
- you may appoint an individual as a proxy and that proxy must also be a member of the Association, to participate in and speak and vote at a members meeting on our behalf;
- your proxy may delegate his/her authority to act on your behalf to another person, subject to any restriction set out in this proxy form;
- this proxy form must be delivered to the Association, before your proxy exercises any of your rights as a member at the annual general meeting;
- the appointment of your proxy or proxies will be suspended at any time to the extent that you choose to act directly and in person in the exercise of any of your rights as a member at the annual general meeting;
- the appointment of your proxy is revocable unless you expressly state otherwise in this proxy form;
- as the appointment of your proxy is revocable, you may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy and to the Association. Please note the revocation of a proxy appointment constitutes a complete and final cancellation of your proxy's authority to act on your behalf as of the later of (i) the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered to the Association and the proxy as aforesaid;
- If this proxy form has been delivered to the Association, as long as that appointment remains in effect, any notice that is required by the 2008 Companies Act or the Association's Articles of Association and Memorandum of Incorporation to be delivered by the Association to you will be delivered by the Association to you or your proxy or proxies, if you have directed the Association to do so, in writing and paid any reasonable fee charged by the Association for doing so;
- your proxy is entitled to exercise, or abstain from exercising, any voting right of yours at the annual general meeting, but only as directed by you on this proxy form;
- the appointment of your proxy remains valid only until the end of the annual general meeting or any adjournment or postponement thereof or for a period of 6 (six) months, whichever is shortest, unless it is revoked by you before then on the basis set out above

Notes

- The person whose name stands first on the proxy form and who is present at the annual general meeting will be entitled to act as a proxy to the exclusion of those whose names which follow thereafter.
 - If no proxy is inserted in the spaces provided, then the Chairman shall be deemed to be appointed as the proxy to vote. However, where the proxy is the Chairman, such failure shall be deemed to authorise the Chairman to vote in favour of the ordinary resolutions.
 - A member's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that member in the appropriate box provided. If there is no clear indication as to the voting instructions to the proxy, the proxy form will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the member's votes exercisable thereat.
 - All forms of proxy must be lodged with the Association at, De Zalze Winelands Golf Estate or PO Box 338, Stellenbosch 7599.
 - Forms of proxy must be received or lodged by no later than 18:00 on Friday, 11 November 2011, being 48 (forty-eight) hours before the annual general meeting to be held at 18:00 on Tuesday, 15 November 2011.
 - Where this form of proxy is signed under power of attorney, such power of attorney must accompany this form unless it has previously been registered with the Association.
 - Any alteration or correction made to this proxy form must be initialed by the signatory/ies, but any such alteration or correction will only be validly made if it is accepted by the Chairman.
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