



HOME OWNERS ASSOCIATION

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Dear Owners and Residents,

CHAIRMAN'S REPORT 2022

The philosopher Kierkegaard reminds us that life can only be understood by looking backwards, but it must be lived forwards. It is that time of the year again that we can look back and reflect on the year that was. For all our individual experiences through the year, good or less so, we can all recognise our common love for the beauty of our Nautilus reserve and the privilege to be a part thereof.



At the outset, a warm welcome to all our new residents and owners to the Nautilus community. We wish you years of happiness and tranquillity in this special corner of the Cape. Also, on behalf of every resident we wish to extend our deepest appreciation to our estate manager, Harry van Bebber, and his team, Buti Sadikwe and France Itumiseng, for their tireless efforts to care for and improve our reserve. It is also my pleasure to thank every member of the Committee for their commitment and guidance to steer the reserve in the best interest of all residents.

With the comprehensive monthly reports from our estate manager regularly circulated to residents, the purpose of this report is only to summarise and highlight a few aspects of significance.

1. Maintenance

Two large infrastructure upgrades were undertaken this year. The first is the upgrade of roads, with the first phase being the road section from the Vleesbay road to the reserve main gate. Weather permitting, the work on this section should be completed this year. The next phase to

Home Owners Association Executive Committee Members

Jaco Lötter(Chairperson), Raoul Hodges(Finance) , Frans van der Pol (Aesthetics, Architectural Guidelines)
Mark Bowden (Environmental, Fire Control, Security), Markus Kilian (Estate Maintenance)

be undertaken next year will be the internal roads. The road upgrade is funded through an approved special levy.

The second large project completed this year was an upgrade of the underground fire hydrants in the reserve. It was recognised that the state of the hydrants posed an unacceptable risk as many of it would simply be unusable in the event of an emergency. As reported through the year, the hydrants and related infrastructure were replaced and upgraded to comply with best practice and prescribed standards. Some of the shut off valves still require attention and work in this respect will be completed next year.

There are two further matters regarding the reserve infrastructure that deserve serious consideration. The functioning of our internal sewer system requires constant attention. The main reasons for this are the flushing of foreign objects into the system which results in blockages that need to be manually cleared, and the devastating impact of load shedding on our equipment. Residents and their guests are again reminded to respect the system and use it responsibly. The Committee is currently undertaking a survey of measures, including an investigation of alternative power sources, to improve the functioning of the sewer system.

During November, some maintenance was undertaken at the water reservoir. This has always been conducted in conjunction with the Mosselbay municipality. Importantly, it was always understood that this reservoir and the maintenance thereof is the responsibility municipality. We have now been informed by the municipality that this infrastructure is the responsibility of the Association and that we are required to enter into a services agreement with the municipality for this purpose. The additional burden on the Association could be significant and as a result we will engage with the municipality along the appropriate channels to resolve this. As a worst case, it might be necessary to budget for this additional responsibility.

2. Building and Architecture

The property activity on the reserve during 2022 was encouraging. To highlight a few:

- 4 building plans were approved;
- Building work commenced on 1 house;
- 1 house was completed and occupied;
- 2 houses were sold; and
- 5 erven were sold.

We are aware of a number of owners who have delayed the submission of building plans in anticipation of the finalisation of our application to the municipality to relax the 250 square metre limitation on the total floor area of houses, to allow for larger houses on the reserve. We share the frustration of many owners affected by this process. To summarise briefly, the municipality has expressed its preliminary support of our application, subject to the outcome of a formal application in terms of the municipal land use planning by-law. This application was submitted by our town planning consultant, circulated within the relevant municipal departments, and advertised for public comment. Although no other objections were received, the application was not supported by the Western Cape Department of Environment Affairs and Development Planning. In order to address the Department's objections, our consultant and Committee members entered into discussions with the municipality and the Department, as a result of



which the Department expressed a more supportive view. Our formal response was then submitted to the municipality for a final decision, either by the municipality, or by a municipal tribunal. The matter is now in the hands of the municipality, and we will inform owners of the outcome hereof.

3. Security

We are grateful to report no major security breaches occurred this year. The only significant incident involved trespassing and minor theft by an opportunistic homeless individual which was apprehended shortly after.

Improvements were made to the lighting at the security office and main entrance which greatly improved visibility in the area at night.

The change of the security shift times to 6am – 6pm improved the monitoring of contractors' entry and exit as this is now covered by the same security staff. Also, regular engagements with the security contractor and the regular monitoring of night patrols ensured a high standard of service.

4. Finance

Expenditure for the 2022 period was contained within the approved budget, notwithstanding costly infrastructure upgrades and the cost of our town planning application. The financial position of the reserve will be presented in detail at the 2022 annual general meeting, but a summary is set out hereunder.

i. Budget

Est Income	2021-2022	2022-2023	2023-2024
Estimated Income	R1 947 064	R2 040 998	R2 185 031
Est Expenses	R1 905 712	R1 934 872	R2 111 872
Est depreciation	R 89 000	R104 625	R110 000
Profit/Loss	-R47 648	R1 501	R 36 841

ii. Levies

	2021-2022	2022-2023	2023-2024
levy	R1 874-00	R1 967-70	R2085-76
Road Fund	R550-00	R577-50	R606-38
Total	R 2424-00	R2545-20	R2692-14

As a community, we have on several occasions discussed the importance of securing multiple supplementary income streams for the reserve. Monthly or special levies are no longer a sustainable source of income to maintain, repair and replace our current infrastructure, let alone develop the reserve to its full potential.

At a special general meeting in June 2019, the Association has already approved single events such as angling competitions as potential sources of income. The vast potential of our reserve area remains untapped. The Committee has recognised a need for storage units from several residents. Accordingly, we have identified Unit 5, zoned for communal amenities, as an area that could be developed for this purpose and we have requested our controlling architect to investigate the feasibility thereof. Other suggestions that deserve consideration are the development of the area in the vicinity of the western parking area which remains largely under- utilised, and an exit levy based on the selling price of properties in the reserve.

5. Environmental

We remain mindful of our legal obligation to eradicate all invasive plant species from the reserve. This work is on-going in accordance with a program and reference plan of the affected areas. However, invasive plants are not isolated on individual properties and progress with this eradication requires a collective effort from all landowners in the area.

It was with great concern that we have learnt of a leak in the PetroSA condensate pipeline that traverses the reserve. Concerning as this may be, we were satisfied with the response level and communication that we received from the municipality and PetroSA throughout. Their contractors remain on site. For the sake of clarity, we record hereunder an extract from the report received from the PetroSA Operations Manager on 5 December 2022:



"PetroSA has developed a 2-stage plan to repair the damaged pipeline at the Nautilus Bay estate. The first stage will start with the removal liquid contaminants in the brick / concrete enclosure. While this work is in progress the FA Platform and the onshore GTL Refinery will prepare to fully shut down the facilities, which will enable safe working conditions for the repair of the pipeline. Due to the specific conditions, the repair would most likely be an approved but temporary, fit for purpose solution. In order to comply in the longer term with engineering standards, a more permanent repair may be required. The details of this longer term repair methodology are being developed in parallel with the shorter term repair.

The shorter term solution will require the following:

- An air-driven pump will be placed near the enclosure to transfer the liquids.
- The pump will be connected to a hose of about 50 meters
- This hose will be directed to a tanker truck or ISO container which will be used to remove the liquids from site.
- A compressor will be required to provide air for the pump.
- PetroSA personnel will perform this operation and our safety and response teams will be on standby.

The short term repair should be in place as soon as possible.

An independent environmental specialist has been appointed to advise on the environmental remediation requirements. Soil samples have been collected in the affected area and a report is awaited.

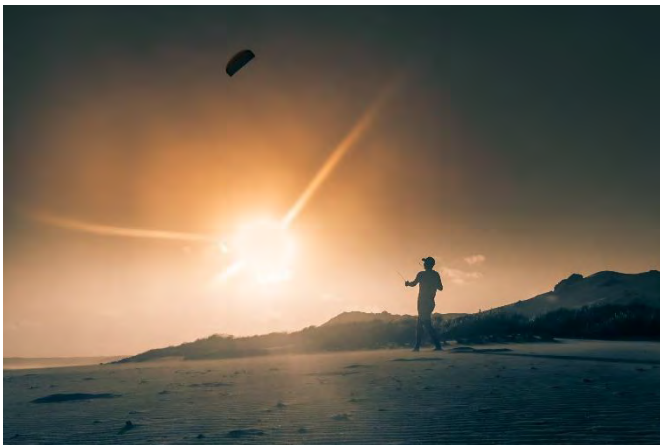
PetroSA will strive to minimize the impact on the environment and on the residents of Nautilus Bay. We would like to thank the residents for the cooperation to date and we apologise for any inconvenience caused."

We will monitor the situation closely and inform residents of the progress in the estate manager's monthly reports.

Although we are grateful for the recent rains that we received, residents are reminded that we are in a water scarce area and we request that water is used sparingly.

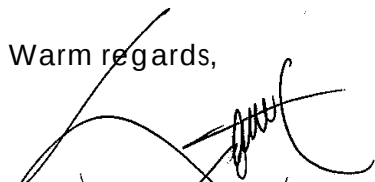
6. Conclusion

In conclusion, we wish to extend our sincerest gratitude to all residents who constructively participated through the year in so many ways to enhance a positive community spirit amongst all residents. Can't we all do with a little more kindness?



From the 2022 Committee, we wish all our residents a blessed and safe Christmas season and only the very best for 2023.

Warm regards,



THE EXECUTIVE COMMITTEE
NAUTILUS BAY COASTAL RESERVE
Per: PJ Lötter (Chairman)