

DREAM VACATION CLUB

MINUTES OF THE ANNUAL GENERAL MEETING OF THE MEMBERS OF DREAM VACATION CLUB, HELD AT BRYANSTON COUNTRY CLUB ON 10th SEPTEMBER 2009

PRESENT : **R W DICKSON**
: **D I GORDON**
: **MEMBERS AS PER ATTENDANCE REGISTER**
: **STAFF OF LEISURE OPTIONS (PTY) LTD AND**
DREAM VACATION CLUB

NOTICE OF MEETING

The Chairman welcomed all attendees to the meeting. Due notice having been given and a quorum being present, the meeting was declared constitutional.

Apologies had been received from F J Swanepoel (Trustee) and the Auditors representative. Members' apologies had been listed and were duly noted.

1. APPROVE THE MINUTES OF THE PREVIOUS ANNUAL GENERAL MEETING

The Minutes from the previous AGM were available on the website. As no objections had been received, they were approved.

2. RECEIVE A REPORT FROM THE CHAIRMAN OF THE BOARD OF TRUSTEES

The Chairman briefed the meeting on the various acquisitions that had been made during the year in order to meet members' requirements.

The Club's holdings at the four Durban North Coast resorts had been increased and various refurbishments were underway at other resorts.

Unfortunately, the water level has receded substantially in the lake at **Nibela Lake Lodge** which has severely curtailed any water sports. However, reports from members have been encouraging. Game has been introduced and is doing very well in spite of the dry conditions.

Purchases at the **Drakensberg** resorts were minimal during the year. However, holdings at the four resorts in **Mpumalanga** had been increased.

Refurbishment work at the **Peninsula** was almost 70% complete with the remainder due to be finished during 2009/2010. Recent upgrade work at **Club Mykonos** has resulted in very comfortable units. The final two chalets at **Piekenierskloof Mountain Lodge** are due to be completed in time for the September holidays. The Club is also in the process of converting the rights on the property from business rights to hotel rights.

Shortly after completing repairs at **Avalon Springs** following the October 2008 floods, the resort suffered major damage when the river burst its banks due to torrential rain in the region. A number of chalets sited along the river banks were washed away and the sewage system was also damaged resulting in total closure of the resort until March 2009.

While it was closed, the resort Management took the opportunity of carrying out some refurbishment work over and above that required to put the flood damage right. Work has progressed with the **Avalon Springs Mountain Chalets** and the Club will own 15 of the 28 units.

Stonehill River Lodge was also affected by the November floods. However, the damage was not as great as that at Avalon Springs.

A fourth unit at **Langezandt** will be ready by December 2009. Further purchases were made at **Beacon Island**, **Wilderness Dunes** and at **Castleburn** to meet members' demand.

In Mozambique, the units at **Bilene** have just been granted occupancy certificates. As soon as the documents are received, these units will be available to members. One of the remaining units at **Paradise View** in Xai Xai is nearing completion and should be ready in time for the December holidays.

The new lodge at **Mount Savannah**, situated within the Cradle of Humankind World Heritage Site, opened in March 2009 and currently has 4 double units and a main Lodge building. Development on the new stand will commence in January 2010.

Stock held by the Club is carefully analysed and reviewed on a regular basis to try and cater for peak holiday requirements. The Chairman reiterated the 8-month delivery promise and advised that, presently, there were only 9 requests waiting to be filled.

Thanks were tendered by the Chairman to his fellow Trustees and all staff for their efforts during the year.

3. CONSIDER THE AUDITED FINANCIAL STATEMENTS FOR THE PREVIOUS YEAR

The Auditors Report together with the Annual Financial Statements has been made available on the website with hard copies available on request.

The Financial Statements were reviewed and explanations given for the various differences. The Chairman explained the reason for higher levies at some resorts was due mainly to the refurbishments carried out as well as the implementation of the Tourism Wage Act.

Member, Mr C Hutton, had raised some queries prior to the meeting and these were explained.

Advertising – an unsuccessful campaign which would not be repeated
Levy increase – 19% per member as a result of the Hospitality Act
Special levies – Club Mykonos and Champagne Sports Resort
Postage – the plan is to communicate more by email in future
Printing – big stock of printed items carried over to 2009

Mr Hutton expressed his satisfaction with the explanations given in response to his questions.

The Chairman advised that the Accounts had been qualified because the Auditors disagreed with the way in which the Club valued the properties. For the Club to go and value each week of timeshare would be a very costly exercise.

The Chairman invited questions from the members and answered them as follows:

Rentals received – difference between 2007 & 2008 was due to the fact that most of them were done through RCI. What is included in Management Fees – salaries (various staff costs are split 60/40), rent and office expenses. The Chairman agreed that for future Financial Statements, a breakdown would be given on this item.

There being no further questions, the Annual Financial Statements were approved.

4. APPOINTMENT OF AUDITORS AND APPROVAL OF AUDITOR REMUNERATION

It was felt the current audit fee was too high and should be reassessed for the future financial year. The Chairman requested the meeting to approve the present fee but not the appointment of the Auditors pending investigation of other companies and their fee structure. This was agreed.

5. ELECTION OF TRUSTEES

No other nominations for Trustee had been received. Messrs Dickson, Gordon and Swanepoel were willing to continue as Trustees and were duly re-appointed.

6. ANY OTHER BUSINESS

Questions had been submitted by member Matthews regarding computers and websites. These were presented and discussed –

Website update

A new website is currently being designed and will be 'live' in the near future. Staff members will be sent on relevant training courses in order to maintain the website information.

Resort info on the web

There is a link from DVC website to those of various resorts which means we are unable to update the resort information as this is the responsibility of the individual resorts to ensure their website has up-to-date information.

Online booking system availability

The instability and incompatibility of the DVC system is being addressed. This will include changing the database to SQL type which in turn will lead to better compatibility. Once all this is done, online bookings will take priority.

(For information, recent statistics show that with both RCI and Diamond Exchange, only 4% of their member's book on-line.)

Removal of booked availability

This is an ongoing process

Menus crash with the data

The problem has been addressed and rectified

Further questions from the floor concerned the Club's cancellation policy. The Chairman replied this was not from any desire to be unreasonable but the Club had to have rules in place to prevent members abusing the policy.

Regarding the question of parking at the Peninsula in Cape Town, the Club were investigating the possibility of coming to an agreement with a property behind.

There being no further business, the Chairman thanked everyone for their time and declared the meeting closed.

Read and approved this _____ day of _____ 20

CHAIRMAN