JAKKALSFONTEIN HOMEOWNERS ASSOCIATION NPC (RF) ("the Company")
(Reg. No.: 1992/007369/08)
MINUTES OF THE ANNUAL GENERAL MEETING
OF MEMBERS OF THE COMPANY HELD AT 09H00 AT THE RESORT CENTRE, JAKKALSFONTEIN NATURE RESERVE, WEST COAST ROAD (R27) ON SATURDAY, 21 NOVEMBER 2020

PRESENT: 79 VOTING MEMBERS (INCLUDES AUTHORITY GIVEN TO PROXIES) (OUT OF A TOTAL 108 ELIGIBLE VOTING MEMBERS) PER THE ATTENDANCE REGISTER AND PROXIES RECEIVED

The following Directors were in attendance:

J. LOUW (Chairperson)
K. VOSLOO
H. PIETERSE
P. JUDD
A. HENNINGS
E. MARAIS
S. WOODHEAD

IN ATTENDANCE:
A. du Toit (Accountant) (Service Provider)
S. Marais (Reserve Manager)
M. Brown (Admin Manager – Minutes)

1. NOTICE OF MEETING

1.1 The chairperson declared the meeting open and welcomed attendees. The chairperson confirmed that the Notice of the Meeting was circulated electronically on 27 October 2020 and made available in hardcopy to those members who requested it and was taken as read. The chairperson thanked all homeowners attending in-person or by proxy and welcomed homeowners who were attending for the first time.

2. ATTENDANCE, APOLOGIES, PROXIES AND QUORUM (Quorum – One half of the total votes. One half of 108 = 54 present or represented)

2.1 Accountant A. du Toit confirmed that all present had signed the attendance register prior to the meeting. 79 voting members were present (including authority given to 61 proxies and 18 members present in-person). The chairperson declared the meeting properly constituted with the required quorum present.

2.2 Apologies were received from the following members: N. Proudfoot, J. Van Vuuren, A. Henry and A. Jonker.

2.3 The chairperson noted the sad passing during the year of homeowners Derick Louw of 59 Sandpiper and Brent Curry of 110 Pelican and asked the meeting to pause for a moment of silence.

3. NOTING OF THE MINUTES OF THE ANNUAL GENERAL MEETING OF THE COMPANY HELD ON 28 SEPTEMBER 2019 RATIFIED BY THE BOARD OF DIRECTORS

3.1 The chairperson stated that the minutes of the meeting had been circulated to homeowners for comment after last year's meeting. There were a few editorial and cosmetic amendments to the minutes circulated. The Minutes were ratified into the record after being proposed by H. Pieterse and seconded by S. Woodhead.

4. MATTERS ARISING FROM THE MINUTES OF THE ANNUAL GENERAL MEETING HELD ON 28 SEPTEMBER 2019

4.1 A separate progress schedule relating to matters arising from the Minutes was attached to the agenda of the meeting for information purposes.

5. CONSIDERATION OF THE CHAIRPERSON'S REPORT

5.1 The report had been circulated to members together with the Annual General Meeting documentation.

5.2 The chairperson opened the floor to members for questions and comments.

5.3 J. Bensch queried why homeowner services have been reduced and what future options have been considered for the security cameras which were installed along the R27 boundary fence. He requested that the incoming board consider ways in which the cameras could be repurposed or sold to recoup some expenditure.

In response to J. Bensch's question why they were bought in the first place, J. Louw indicated that it was a democratic decision taken by the homeowners to purchase these cameras. A. James stated that the Board acted on expert advice which now appears was not sound. The chairperson assured the meeting that the Board had already taken steps to find options, such as inviting agents of the manufacturers to advise.

C. Hartley commented that the presence of cameras at the gate act as deterrents. J. Louw indicated that several homeowners have raised the possibility of burying the overhead cables in the upper section of the Reserve. A. James informed the meeting that an original requirement from the Nature Conservation authority that electricity cables had to be buried underground was waived as a special condition.

M. Kingston asked whether the cameras were covered by a guarantee or if a scope of work had been required prior to installation.

M. Canning asked whether there was any progress on the 25-year review report. The chairperson advised that the report had been circulated to homeowners and referred to various newsletters that explained the relationship between the review report and the proposed revision to the Design Manual.

The proposed revised Design Manual should be available for circulation to homeowners for comment and decision early in 2021.

5.4 A. James proposed and M. Canning seconded the acceptance of the Chairperson's Report. The proposal was carried unanimously with no amendment and the Chairperson's report was adopted into the record.

6. CONSIDERATION OF THE RESERVE MANAGER'S REPORT

6.1 The report had been circulated to members together with the Annual General Meeting documentation.

6.2 The chairperson opened the floor for questions and comments.

6.3 S. Woodhead proposed and A. Hennings seconded the proposal that the Reserve Manager's report be adopted. The proposal was carried unanimously with no amendment and the report was adopted into the record.

7. CONSIDERATION OF THE ANNUAL PLAN OF OPERATIONS

7.1 The document had been circulated to members together with the Annual General Meeting documentation.

7.2 The chairperson opened the floor for questions and comments.

7.3 A. Hennings proposed and S. Woodhead seconded the proposal that the Annual Plan of Operations be approved. The proposal was carried unanimously with no amendment and adopted into the record.

8. CONSIDERATION OF THE FINANCIAL REPORT

8.1 The report had been circulated to members together with the Annual General Meeting documentation.

8.2 S. Woodhead noted that the JHA is well funded with reserves at 30 June 2020 of R2 million and that there was a surplus in the financial year ended 30 June 2020 rather than the projected budgetary deficit. One of the reasons for the surplus was that the proposed appointment of an Infrastructure Manager had not yet taken place. A detailed job description had been prepared and a potential candidate may have been identified. A levy increase of 5% to R4124 per month was proposed for the 2021 financial year.

8.3 S. Woodhead responded to J. Bensch's earlier question regarding the withdrawal of some homeowner services and explained that total employee costs incurred to provide services such as house painting were not being recovered from individual projects. To do so would require tariffs to be increased substantially. The result was that the homeowners association was subsidising individual homeowner work and the reserve infrastructure maintenance requirements could not be carried out due to staff allocation.

8.4 J. Bensch queried why staff leave was included as accrued expenses. S. Woodhead replied that it is reflected under "Provisions and accrued expenses" in terms of International Financial Reporting Standards.

8.5 C. Hartley commented that a budget of R300 000 for the employment of a part time infrastructure manager seemed high in view of the current depressed financial times. P. Judd explained that the individual who is appointed will be a professional and the job description tailored (both financially and practically) to suit the post and JHA requirements. The intention is to fulfil a large part of the ARC director's role and over time expand the responsibilities of this position to include management of Jakkalsfontein's infrastructure. The position has been in the budget for several years and the previous appointment of a part-time building administrator had attempted to address the issue.

8.6 A. James mentioned that the JHA relied heavily on the goodwill of homeowners who generously donated an enormous amount of time. It would be better if the nature reserve is managed, as far as possible, by professionally qualified persons.

8.7 E. Marais proposed and M. Canning seconded the proposal that the financial report be adopted into the record and the proposal was carried with 78 votes for and 1 abstention.

9. APPROVAL OF THE AUDITED ANNUAL FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

9.1 The audited annual financial statements were circulated to members as part of the AGM documentation.

9.2 J. Bensch proposed and P. Judd seconded the proposal that the Annual Financial Statements be approved. The proposal was accepted with 78 votes for and 1 abstention.

10. CONSIDERATION AND ADOPTION OF THE INCOME AND EXPENSE BUDGET FOR THE FINANCIAL YEAR ENDING 30 JUNE 2021

10.1. The income and expense budget for the 2021 financial year was circulated to members as part of the AGM documentation.

10.2. A. Hennings proposed and P. Bedford seconded the proposal that the Income and Expense Budget for the financial year ending 30 June 2021 be adopted. The proposal was accepted with 78 votes for and 1 abstention.

11. APPROVAL OF THE MONTHLY LEVY FOR THE PERIOD 1 JULY 2020 – 30 JUNE 2021

J. Bensch proposed and A. James seconded the proposal that a 5% increase in the monthly levy be approved for the period 1 July 2020 to 30 June 2021. The proposal was accepted with 75 votes for, 3 votes against and one abstention.

12. APPROVAL OF THE PROPOSED CAPITAL EXPENDITURE

12.1 The proposed capital expenditure for the financial year ending 30 June 2021 was circulated to members as part of the AGM documentation.

12.2 E. Marais proposed and S. Woodhead seconded the proposal that the Capital Expenditure Budget be approved. The proposal was accepted with 76 votes for, 1 against, and 2 abstentions.

13. CONSIDERATION OF ALL INSURANCE POLICIES

13.1 The summary of the Company's insurance policies was circulated to members as part of the AGM documentation.

13.2 J. Bensch proposed and A. James seconded the adoption of all insurance policies. The proposal was unanimously approved.

14. CONSIDERATION AND FIXING OF THE AUDITOR'S REMUNERATION FOR THE YEAR ENDED 30 JUNE 2020

K. Vosloo proposed and H. Pieterse seconded the auditor's remuneration and with 78 votes for and 1 abstention, the auditor's remuneration was approved

15. CONSIDERATION OF A VOLUNTARY AUDIT OF THE COMPANY'S FINANCIAL STATEMENTS AND IF REQUIRED, THE APPOINTMENT OF CECIL KILPIN AS AUDITORS FOR THE ENSUING YEAR

Approval of a voluntary audit and the re-appointment of Cecil Kilpin as the auditors were proposed by S. Woodhead and seconded by A. James. The proposal was approved unanimously.

16. RATIFICATION OF JAKKALSFONTEIN RESERVE POLICY / RULE AMENDMENTS AS AGREED TO BE TABLED BY THE BOARD OF DIRECTORS

16.1 Revised Estate Agent's Policy

The chairperson commented that the proposal was an amendment to an existing policy, to clarify the roles of the parties involved.

S. Woodhead proposed and P. Judd seconded the proposal that the amended policy be approved and with 77 votes for and 2 votes against the policy was approved.

16.2 Amendment to JHA Rules Section 1 Domestic animals

The chairperson noted that an amendment to the rule to allow visitors dogs had been requested by a homeowner who felt that the existing rule was too strict.

K. Vosloo enquired as to the current rule relating to homeowner dogs. S. Marais explained that homeowners, family members, members of a Trust and their family members, are permitted to register dogs with the admin office. A maximum of two dogs are allowed per property at any one time.

P. Bedford proposed and P. Judd seconded the proposal that the amended rule be put to the vote. With 21 votes for, 54 votes against and 4 abstentions, the proposed amendment was rejected.

17. SPECIAL RESOLUTIONS

17.1 Special Resolution 1

To consider and, in the event deemed fit, to pass, with or without modification, the following special resolution to amend the Memorandum of Incorporation of the Company as set out below:

"Resolved as a special resolution to:

1. Insert a definition of the word "spouse" after the word "special levy" in clause 1.1 with the following wording:

   "spouse" means a spouse as defined in the Income Tax Act, No. 58 of 1962, as amended from time to time;

2. Replace clause 12.2 of the Memorandum of Incorporation of the Company with the following wording:

12.2 The exit levy shall not be payable in the event of transfer of a portion or part thereof, or an interest or a part interest, member's interest or shares in respect of a portion:

12.2.1 out of the deceased estate of a member to such member's spouse and/or child and/or children, or to a trust, close corporation or company of which the spouse and/or child and/or children of a deceased member is/are the only beneficiary/ies of the trust, the only member(s) of the close corporation or the only shareholder(s) of the company, as the case may be, provided that any such transfer referred to in 12.2.1 shall be pursuant to a testamentary bequest or the laws of intestate succession;

12.2.2 to a trust, close corporation or company of which a member and/or the spouse and/or child and/or children of such member is/are the only beneficiary/ies of the trust, the only member(s) of the close corporation or the only shareholder(s) of the company, as the case may be; or

12.2.3 to a spouse or former spouse, or to a trust, close corporation or company of which the spouse or former spouse and/or child and/or children of such member is/are the only beneficiary/ies of the trust, the only member(s) of the close corporation or the only shareholder(s) of the company, as the case may be, provided that any such transfer referred to in 12.2.3 shall be in terms of a Court Order in respect of divorce proceedings between the member and the spouse or former spouse of the member."

H. Pieterse noted that the reason for Special Resolution No 1 is to clarify and extend provisions of the Memorandum of Incorporation of the Company applicable to circumstances in which an exit levy shall not be payable in terms of the Memorandum of Incorporation of the Company and to include that no exit levy shall be payable in respect of any transfer as set out in Special Resolution No 1 if such transfer is in terms of a Court Order in respect of divorce proceedings between the member and the spouse or former spouse of the member.

The passing of the Special Resolution shall have effect that the provisions of the Memorandum of Incorporation regarding circumstances in which the exit levy shall not be payable, shall be clarified and extended and that an exit levy shall not be payable if a transfer takes place in terms of a Court Order in respect of divorce proceedings between the member and the spouse or former spouse of the member.

The minimum percentage of voting right that is required for this resolution to be adopted is at least 75% of the voting rights exercised on the resolution.

J. Bensch proposed and P. Judd seconded that the Special Resolution be adopted. The Special Resolution was approved with 77 votes for, 2 against, and no abstentions.

17.2 Special Resolution 2

To consider and, in the event deemed fit, to pass, with or without modification, the following special resolution to amend the Memorandum of Incorporation of the Company as set out below:

"*Resolved as a special resolution to:*

1. *delete the word "and" at the end of clause 3.1.13;*

2. *delete the full stop at the end of clause 3.1.14 and to insert ";and"; and*

3. *insert a new clause 3.1.15 with the following wording:*

"to promote and participate in community safety activities in furtherance of community safety and the safety of members, and employees, guests and contractors of members and the Company, and in furtherance of the safety of assets of members, the Company, and of employees, guests and contractors of members and the Company, as the case may be."

The reason for Special Resolution No 2 being to clarify the authority of the Company to promote and participate in community safety activities for the benefit of the community, the Company and its members, families, guests, employees and contractors.

The passing of the Special Resolution shall have effect that the authority of the Company to promote and participate in community safety activities for the benefit of the community, the Company and its members, families, guests, employees and contractors shall be clarified.

The minimum percentage of voting right that is required for this resolution to be adopted is at least 75% of the voting rights exercised on the resolution.

S. Woodhead proposed and A. du Toit seconded that proposal that the Special Resolution be adopted and with 75 votes for, 2 against and 2 abstentions, the Special Resolution was approved.

17.3 Special Resolution 3

To consider and, in the event deemed fit, to pass, with or without modification, the following special resolution:

"*Resolved as a special resolution to impose a special levy upon members of the Company during January 2021 in the sum of R4,000.00 (four thousand rand) per member to raise R428,000.00 (four hundred and twenty eight thousand rand) as partial funding of the capital cost of R750,000.00 (seven hundred and fifty thousand rand) for the installation of an optical fibre network accessible to members at Jakkalsfontein, which would also allow members the option to connect to DSTV via the optical fibre network at Jakkalsfontein.*"

The reason for and/or effect of Special Resolution 3 is/shall be as follows:

1. to provide partial funding in the sum of R428,000.00 (four hundred and twenty eight thousand rand) for the installation by the Company of an optical fibre network at Jakkalsfontein at a capital cost of R750,000.00 (seven hundred and fifty thousand rand) accessible to members at Jakkalsfontein;

2. a once-off special levy of R4,000.00 (four thousand rand) will be imposed on each member of the Company during January 2021 to provide for the partial funding referred to above to allow members to connect to the optical fibre network at Jakkalsfontein, including the option to connect to DSTV via the optical fibre network;

3. the remaining R322,000.00 (three hundred and twenty two thousand rand) of the capital cost of R750,000.00 (seven hundred and fifty thousand rand) will be covered from the existing reserves available to the Company;

4. in addition to the capital cost of R750,000.00 (seven hundred and fifty thousand rand), if Special Resolution 3 is approved to raise the once-off special levy of R4,000.00 (four thousand rand), the Company will also incur additional annual operating costs of R65,000.00 (sixty five thousand rand), which includes the monthly costs for access to the fibre network and the services to be provided to the Company by Comtel in terms of a Service Level Agreement; and

5. installation of the fibre network will result in monthly savings for members resulting from switching their internet requirements from wireless to fibre.

The minimum percentage of voting right that is required for this resolution to be adopted is at least 75% of the voting rights exercised on the resolution.

P. Judd proposed and A. Hennings seconded that the vote on the Special Resolution be carried out. The Special Resolution was rejected with 18 votes for, 59 votes against and 2 abstentions.

17.4 Special Resolution 4

To consider and, in the event deemed fit, to pass, with or without modification, the following special resolution:

"*Resolved as a special resolution to impose a special levy upon members of the Company during January 2021 in the sum of R3,000.00 (three thousand rand) per member to raise* R321,000.00 (three hundred and twenty one thousand rand) as partial funding of the capital cost of R650,000.00 (six hundred and fifty thousand rand) for the installation of an optical fibre network accessible to members at Jakkalsfontein."

The reason for and/or effect of Special Resolution 4 is/shall be as follows:

1. to provide partial funding in the sum of R321,000.00 (three hundred and twenty one thousand rand) for the installation by the Company of an optical fibre network at Jakkalsfontein at a capital cost of R650,000.00 (six hundred and fifty thousand rand) accessible to members at Jakkalsfontein;

2. a once-off special levy of R3,000.00 (three thousand rand) will be imposed on each member of the Company during January 2021 to provide for the partial funding referred to above to allow members the option to connect to the optical fibre network at Jakkalsfontein;

3. the remaining R329,000.00 (three hundred and twenty nine thousand rand) of the capital cost of R650,000.00 (six hundred and fifty thousand rand) will be covered from the existing reserves available to the Company;

4. in addition to the capital cost of R650,000.00 (six hundred and fifty thousand rand), if Special Resolution 4 is approved to raise the once-off special levy of R3,000.00 (three thousand rand), the Company will also incur additional annual operating costs of R65,000.00 (sixty five thousand rand), which includes the monthly costs for access to the fibre network and the services to be provided to the Company by Comtel in terms of a Service Level Agreement; and

5. installation of the fibre network will result in monthly savings for members resulting from switching their internet requirements from wireless to fibre.

The minimum percentage of voting right that is required for this resolution to be adopted is at least 75% of the voting rights exercised on the resolution.

S. Woodhead proposed and homeowner A. Du Toit seconded that the vote on the Special Resolution be carried out. The Special Resolution was received 44 votes for, 32 votes against, with 3 abstentions. It did not meet the required 75% majority.

The meeting requested that the incoming Board investigate communication methods at Jakkalsfontein.

18. CONSIDERATION OF ANY OTHER BUSINESS

No other business.

19. ELECTION OF THE BOARD OF DIRECTORS UNTIL THE NEXT GENERAL MEETING

The outgoing Board members were:

K. Vosloo
P. Judd
J. Louw
A. Hennings
E. Marais
S. Woodhead
H. Pieterse

19.1 H. Pieterse was not available for re-election for the following year.

19.2 Before the election took place, A. James read out the following message from homeowner A. Jonker.

"We thank the board, management and staff for their time and sterling efforts during the past year and for everything the Jakkalsfontein dream team has done for us as homeowners!

Special thanks to Henning for all his years of selfless service to our stunning estate and for ensuring that everything at Jakkals is so well implemented with professional care, respect and due consideration to all! We are all going to miss his warm even-handed level-headed non-partisan legal and commercial input on the board going forward".

19.3 J. Louw noted that the invitation to nominate members for election was circulated to homeowners on 17 October 2020 and that in terms of the MOI directors could not be elected *en bloc* and a voting process was required. Each nominee required 50% of the quorum's vote in order to be elected.

19.4 Following the election process all nominees garnered sufficient votes. The election was therefore declared valid and the directors for the ensuing year are:

A. Hennings
P. Judd
J. Louw
E. Marais
K. Vosloo
S. Woodhead

The chair thanked A. du Toit, M. Brown and S. Marais for their work behind the scenes in preparing for the AGM. The meeting concluded with a round of applause for the outgoing Board.

There being no further business the meeting closed at 11h30.

CERTIFIED CORRECT:

_____
CHAIRPERSON

_____
DATE