

JAKKALSFONTEIN HOMEOWNERS ASSOCIATION NPC (RF) ("the Company")

(Reg. No.: 1992/007369/08)

MINUTES OF THE 26th ANNUAL GENERAL MEETING

OF MEMBERS OF THE COMPANY HELD AT 09H40 AT THE RESORT CENTRE, JAKKALSFONTEIN
NATURE RESERVE, WEST COAST ROAD (R27) ON SATURDAY, 29 SEPTEMBER 2018

PRESENT: 67 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
V. SCHUHEN

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

1. NOTICE OF MEETING

- 1.1 The chairperson declared the meeting open by welcoming all members and confirming that the Notice of the Meeting had been circulated electronically on 6 September 2018 and made available in hardcopy to those members who requested it. The chairperson thanked all homeowners who attended, especially those attending for the first time.
- 1.2 The chairperson thanked A. du Toit who was acting in the capacity of company secretary for the meeting and M. Brown who took the minutes.

2. ATTENDANCE, APOLOGIES, PROXIES AND QUORUM. A quorum is one half of the total votes: total votes = 108, quorum = 54 votes.

- 2.1 A. du Toit confirmed that all present had signed the attendance register prior to the meeting. Sixty-seven voting members were present, either in person or by proxy (35 proxies given). The chairperson declared the meeting properly constituted with the required quorum present.
- 2.2 The chairperson noted that apologies were received from the following members: J. Pienaar, C. Bezuidenhout, P. La Grange, B. Curry, T. Doyle, P. Bedford, A. Whitehead, R. Buddle, T. and C. Phillips-Bryant, L. De Beer, B. Rice, U. Ehrentraut, K. Graser, and A. James.
- 2.3 The chairperson noted that four homeowners and one long term staff member had died during the last year. A tribute was paid to them by means of a moment of silence.

3. NOTING OF THE MINUTES OF THE 25th ANNUAL GENERAL MEETING OF THE COMPANY HELD ON 23 SEPTEMBER 2017 APPROVED BY THE BOARD OF DIRECTORS

- 3.1 The chairperson stated that the minutes of the meeting had been circulated. H. Pieterse noted that some editorial and non-substantive amendments had been proposed by a member. The chairperson indicated that the meeting could authorise such amendments and accept the minutes on that basis.
- 3.2 A. van Malsen proposed and C. Mang seconded the adoption of the minutes of the 25th Annual General Meeting held on 23 September 2017, including the amendments referred to above. The proposal was carried unanimously, and the proposed amended minutes were adopted into the record.

4. MATTERS ARISING FROM THE MINUTES OF THE ANNUAL GENERAL MEETING HELD ON 23 SEPTEMBER 2017

- 4.1 The chairperson noted that a separate progress schedule relating to matters arising from the minutes was attached to the agenda of the meeting for information purposes.
- 4.2 A. Jonker indicated that some matters were not raised in the schedule and asked that these be raised where appropriate during the meeting.

5. CONSIDERATION OF THE CHAIRPERSON'S REPORT

- 5.1 The chairperson noted that the report had been circulated to members together with the Annual General Meeting documentation and requires adopting into the official record.
- 5.2 The chairperson opened the floor to members for questions.
- 5.3 J. Bensch enquired as to what the board is doing to increase Jakkalsfontein's property values, as these appear to be stagnating when compared to Atlantic Beach. A. Jonker cautioned that more active marketing and public visibility may have unintended consequences. Furthermore, it is difficult to compare Jakkalsfontein with Atlantic Beach given the differences between them. C. Cousins remarked that property prices are also depressed in neighbouring areas such as Yzerfontein and Grotto Bay. D. Tuchten noted that Jakkalsfontein is a nature reserve and certain restrictions apply which are not enforced on other estates.
- 5.4 The chairperson advised the meeting that the Board intends to make the informal meeting of homeowners that was held in March 2018, an annual event. This will provide an opportunity to discuss such matters.
- 5.5 H. Rabe proposed and A. van Malsen 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 chairperson noted that the report had been circulated to members together with the Annual General Meeting documentation and was taken as read and only required adopting into the official record.
- 6.2 The chairperson opened the floor to members who might have questions regarding the reserve manager's report.
- 6.3 A. Jonker queried whether the vegetation re-growth in the ecologically burnt areas differs from the surrounding fynbos, as it appeared to be mostly grasses. J. Louw commented that the northern boundary is completely restored after the burn in that area three years ago. S. Marais replied that ecological burns are stipulated in the management plan which is approved by CapeNature. A. Jonker noted that the roadside burn appeared to be aggressive for the type of soil and/or vegetation at Jakkalsfontein. S. Marais replied that the burn was also necessary for security purposes under the power lines and to improve visibility for security personnel. A. Jonker requested that S. Marais provide further feedback to members on these burns.
- 6.4 A. Jonker requested feedback on the efforts of the eight neighbouring properties to form an Yzerfontein Conservancy Area. S. Marais answered that the land owners and authorities remain in discussion. J. Louw indicated that a meeting of interested parties was planned for the forthcoming week and the Jakkalsfontein Board will keep a watching brief on developments.
- 6.5 H. Rabe proposed and J. Hildebrand seconded the proposal that the reserve manager's report be adopted, and the proposal was carried unanimously with no amendment. The report was adopted into the record.

7. CONSIDERATION OF THE ANNUAL PLAN OF OPERATIONS

- 7.1 The document was circulated together with the AGM documentation and was taken as read.
- 7.2 C. Mang proposed and A. van Malsen 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 Board proposed a levy increase of 9.5% to cover operating costs for the present financial year. V. Schuhen argued that increased insurance, electricity, staff transport, and security costs made such a raise in the levy unavoidable.
- 8.2 A. van Malsen expressed concern that the last two years of CAPEX and 5-year plan propose a reduction in the reserves from nearly R2 million to R150 000. A. Jonker agreed with these sentiments and commented that the reserves should not be reduced to such a low level.
- 8.3 P. Gibbs proposed and A. van Malsen seconded the proposal that the financial report be approved, and the proposal was carried unanimously and adopted into the record, with the proviso that solar panels and phase 3 of the CCT perimeter cameras be removed from the estimates and moved to a note.

9. APPROVAL OF THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

- 9.1 The chairperson noted that the audited financial statements were circulated to members as part of the AGM documentation and require adopting into the record.
- 9.2 A. Jonker asked that the two-page supplemental statement listing individual income and expenses as well as the conservation schedule be included the annual financial statements.
- 9.3 M. Canning enquired if the JHA keeps a fixed asset register, including the security equipment, and whether the annual financial statements could reflect such category individually and not as part of a wider asset grouping.
- 9.4 A. Jonker enquired regarding VAT deregistration and the decrease from approximately 25.3% in prior year to 11.8% in current year in the taxation compared to statutory corporate tax rate of 28%. P. Gibbs noted that certain other expenditure had been offset against the non-member income to reduce the tax. Furthermore, the JHA deregistered as a VAT vendor in 2014 and only received the SARS assessment in July 2018 with no penalties and interest raised by SARS. A. du Toit noted that the impact of the VAT deregistration was set out in note 16 of the AFS.
- 9.5 A. Jonker complimented management on reducing the trade receivables but enquired whether slow-paying homeowners were charged interest and subjected to legal action. A. du Toit advised that the figures were as at 30 June 2018 and most accounts were up to date. Three homeowners have been handed over for legal action. A. du Toit further advised that an intercompany loan from JHA (R92 000) to JIP was also included in such trade receivables, which would be paid once the online banking matters have been resolved.
- 9.6 A. Jonker observed that Note 6 "Capital and General Reserves" on page 15 had not been amended to "Capital and Maintenance Reserves" to align with page 7 and under Note 7 the Grysbok fund has not been amended to the Wildlife Acquisition Fund (refer to the omitted matters arising paragraph 5.10 of the prior year 2017 AGM Minutes). Amendment required to note 14 "Related parties" on page 17 to reflect JIP rental as R76 789 in 2018 and R69 960 in 2017 (to be read in conjunction with JIP's Annual Financial Statements pages 15 and 16).
- 9.7 A. van Malsen proposed and D. Tuchten seconded the proposal that the Annual Financial Statements be approved subject to the above amendments and recirculated to the homeowners, together with the detailed expense report and the separate conservation expenditure report. The proposal was unanimously accepted.

10. CONSIDERATION AND ADOPTION OF INCOME AND EXPENSE BUDGET FOR THE FINANCIAL YEAR ENDING 30 JUNE 2019 AND 11. APPROVAL OF THE MONTHLY LEVY FOR THE PERIOD 1 JULY 2018 – 30 JUNE 2019

- 10.1 A. Jonker requested that all formulas in the budget be checked and provided examples where percentages did not match Rand figures. A. Du Toit undertook to do this.
- 10.2 P. Gibbs proposed and C. Mang seconded the proposal that the income and expense budget and the monthly levy be approved subject to the proposed corrections. With one vote against and one abstention, the income and expense budget and the proposed monthly levy were approved.

12. APPROVAL OF THE PROPOSED CAPITAL EXPENDITURE

- 12.1 A. van Malsen proposed and P Gibbs seconded the proposal that the CAPEX be approved with the proviso that solar panels and phase 3 of the CCT perimeter cameras be removed from the estimates and moved to a note. The proposal was approved with only one abstention.

13. CONSIDERATION OF ALL INSURANCE POLICIES

- 13.1 C. Mang proposed and M. Canning seconded the adoption of all insurance policies. The proposal was unanimously approved.

14. CONSIDERATION AND FIXING OF THE AUDITORS REMUNERATION FOR THE YEAR ENDED 30 JUNE 2018 AND 15. CONSIDERATION OF A VOLUNTARY AUDIT OF THE COMPANY'S FINANCIAL STATEMENTS AND IF REQUIRED, THE APPOINTMENT OF THE AUDITORS CECIL KILPIN AS AUDITORS FOR THE ENSUING YEAR

- 14.1 A. du Toit indicated that following previous requests for tenders from auditors for all three companies (JHA, JHT and JIP), five quotations were obtained, amongst others from BDO, Nolands, Mazars, Eric Solomon and Co. and Cecil Kilpin & Co.
- 14.2 Following a general discussion, P. Gibbs proposed and A. van Malsen seconded approval of the auditors' remuneration and the re-appointment of Cecil Kilpin as auditors. The proposal was approved unanimously.

15. RATIFICATION OF JAKKALSFONTEIN RESERVE RULE AMENDMENTS AS APPROVED BY THE BOARD OF DIRECTORS DURING THE YEAR

- 15.1 No reserve amendments were approved by the board of directors during the year.

16. SPECIAL RESOLUTION 1

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

“Resolved as a special resolution to:

1. Insert figure numbers from 1 - 33 to all drawings in Part A of the design manual as defined in the Memorandum of Incorporation of the Company (the “**design manual**”) as highlighted in the design manual circulated to all members as part of this notice of the annual general meeting.
2. Amend clauses 5.6 (roofs), 5.10 (braai, chimneys and pizza ovens), 5.26.3 (rainwater drainage and tanks), 5.28.3 (other fittings and structures) and 5.30 (conservancy, septic tanks, soakaways and plumbing) as highlighted in the design manual circulated to all members a part of this notice of the annual general meeting.

(1 and 2 hereinafter referred to as “**proposed amendments to the design manual**”)”

The reason for special resolution 1 is that the board of the Company conducted a review of certain clauses of the design manual and it is proposed to insert figure numbers 1 - 33 to all drawings in Part A of the design manual to improve readability of the manual, and to amend the existing provisions of clauses 5.6, 5.10, 5.26.3, 5.28.3 and 5.30 of the design manual to provide clarity on some clauses and to reflect new guidelines from Swartland municipality. The proposed amendments to the design manual referred to in special resolution 1 were highlighted in the design manual.

The passing of the special resolution will have the effect of inserting figure numbers 1 - 33 to all drawings in Part A of the design manual and of amending the existing provisions of clauses 5.6, 5.10, 5.26.3, 5.28.3 and 5.30 with the proposed amendments to the design manual highlighted in the design manual referred to in special resolution 1.

The minimum percentage of voting rights required for this resolution to be adopted is at least 75% of the voting rights exercised on the resolution (clause 23.2 of the MOI). It is recorded that if special resolution 1 is adopted, the Swartland Municipality is required to approve the amendments to the design manual.

- 16.1 P. Judd indicated that the proposed amendments were intended to provide clarity to the current Design Manual, but that there was a need for a more thorough review of the manual. He noted that the revision would have to be undertaken by a professional who would also review the manual in terms of the current building legislation.
- 16.2 A. Jonker requested that the final draft revision of the Design Manual include a preamble dealing with the more general design principles underlying Jakkalsfontein's architecture. The chairperson agreed that such a draft manual should be circulated to homeowners for comment prior to any meeting to approve it.
- 16.3 P. Gibbs proposed and H. Pieterse seconded the proposal that the amendments to the Design Manual be approved, subject to the approval of Swartland Municipality. With only two abstentions, the resolution achieved the required 75% vote and was approved.

17 RATIFICATION OF ANY AMENDMENTS TO THE ENTRY LEVY (CLAUSE 24.4.2 MOI) BUILDERS' VEHICLE LEVY (CLAUSE 24.4.10 MOI) AND OR GENERAL VEHICLE LEVY (CLAUSE 24.4.11) MOI)

- 17.1 There are no amendments to the above clauses.

18 RATIFICATION OF ANY THRESHOLD AMOUNT REQUIRING AUTHORISATION FOR PAYMENT (CLAUSE 24.4.7 MOI) AND/OR APPROVAL OF EXPENDITURE IN EXCESS OF 5% OF ALL MONTHLY LEVIES PAID ACCORDING TO THE MOST RECENT APPROVED ANNUAL FINANCIAL STATEMENTS OF THE COMPANY (CLAUSE 24.4.8 MOI)

- 18.1 There are no amendments to the above clauses.

19 CONSIDERATION OF ANY OTHER BUSINESS

19.1 House Maintenance

C. Cousins enquired whether homeowner Egglestone has been requested to attend to the maintenance of the property. S. Marais indicated that several emails over time have been ignored and the matter may be referred to the Community Schemes Ombud.

19.2 Resort Centre

C. Mang suggested that renovations or upgrades be considered for the resort centre cloakrooms and kitchen and that blinds are purchased for the sliding doors.

19.3 Springbok

J. Louw indicated that a decision on the future of the springbok at Jakkalsfontein needs to be taken. Many homeowners would like to see the springbok freed from the paddocks to live more naturally. H. Rabe noted that due to the increased number of horses, the springbok no longer have sufficient grazing and are browsing vegetation surrounding the paddocks.

S. Marais reminded the meeting that the springbok were introduced by a previous Board decision and under a permit from CapeNature, which required their containment in the paddock.

After discussion and a show of hands, the meeting indicated support for the proposal that S. Marais approach CapeNature to amend the permit and allow the springbok to roam freely on the reserve, failing which they will be removed from the reserve altogether.

19.4 Horse shelter

C. Cousins enquired whether additional shelter will be provided for the horses as some stand outside in inclement weather. J. Louw indicated that a proposal is being discussed and would be funded by the horse owners if approved. P. Judd reiterated that any shelter or outbuilding would conform to the aesthetics of the Design Manual.

20 RESTRICTIONS IMPOSED, OR DIRECTIONS GIVEN BY THE MEMBERS TO THE DIRECTORS FOR THE ENSUING YEAR

20.1 None.

21 ELECTION OF THE BOARD OF DIRECTORS UNTIL THE NEXT GENERAL MEETING:

21.1 Eight nominations were received:

F. Els
T. Hulme
P. Judd
J. Louw
H. Pieterse
H. Rabe
V. Schuhen
K. Vosloo

21.2 The chairperson handed the floor to A. Hamersma who conducted the election.

21.3 A. Hamersma noted that the invitation to nominate members for election was circulated to homeowners on 6 September 2018. He explained that in terms of the MOI directors could not be elected *en bloc* and that a voting process is required. Each nominee requires 50% of the quorum's vote for election.

21.4 The following nominees garnered sufficient votes. The election is therefore declared valid and the directors for the ensuing year are:

T. Hulme
P. Judd
J. Louw
H. Pieterse
V. Schuhen
K. Vosloo

21.5 A. Jonker suggested that the new Board consider whether or not the two unsuccessful candidates could contribute to the Board's activities in an *ad hoc* capacity.

A. Jonker thanked the chairperson, Board members, management and all staff for their ongoing contributions.

There being no further business the meeting closed at 13h10.

CERTIFIED CORRECT:



CHAIRPERSON

3 October 2018

DATE