

WATERKLOOF VILLAGE HOMEOWNERS' ASSOCIATION

(Section 21 company, reg. no 1995/000684/08)

MINUTES OF THE ANNUAL GENERAL MEETING ("AGM")

HELD ON WEDNESDAY, 14 AUGUST 2024 AT 18:00 IN THE CARL JEPPE ROOM PCC

1. WELCOMING, CONSTITUTION OF MEETING & ATTENDANCE

The Chairperson of the Board welcomes all members to the 2024 Annual General Meeting (AGM).

Notice of this meeting was distributed timeously to members in terms of the MOI on 22 July 2024.

In order to establish a Quorum, 25% of members (17 votes) are required to be present. The attendance register reflects that 27 votes are present, being 19 members and 8 proxies. The meeting is duly constituted and declared open.

2. ORDINARY RESOLUTION 1 – APPROVAL OF THE MINUTES OF THE 2023 AGM, HELD ON 31 AUGUST 2023

The minutes were circulated and are taken as read. There being no questions or comments, Stephan Barac proposes that same be approved. By way of a unanimous vote, this motion is carried.

3. ORDINARY RESOLUTION 2 – APPROVAL OF THE MINUTES OF THE EXTRAORDINARY GENERAL MEETING HELD ON 22 NOVEMBER 2023

The minutes were circulated and are taken as read. There being no questions or comments, Stephan Barac proposes that same be approved. By way of a unanimous vote, this motion is carried.

The Chairperson comments that the memorandum containing certain accusations against the Board of Directors that was provided by Mr Eloff Brink shortly prior to the meeting was distributed to all members. The Board compiled and distributed a formal response thereto to all members, but no further comments or discussions were received in this regard.

4. DIRECTORS' REPORT

The Chairperson presents this report on behalf of the Board of Directors ("BOD") covering the affairs and activities of the Association. In addition, this report covers the financial results for the year ending 29 February 2024 and

include feedback on the activities conducted since the previous Annual General Meeting (AGM), which was held on 31 August 2023 as well as the approved budget for the 2024/25 financial year.

4.1. Feedback on activities since the 2023 AGM:

The past year we had to deal with the resignation of our Estate Manager, Leon Baasden, who performed these duties for many years. A new Estate Manager, Vernon Ungerer, has taken up this important role and he is learning with great eagerness the “workings of the Village” and his role and responsibilities. This process will take time and will have its “teething problems”.

Due to excessive summer rains, we experienced the collapse of a section of our boundary wall behind Corne and Gail’s Villa causing significant damage and considerable inconvenience over several months to the residents of Villas 3 and 4. The damaged wall was successfully reconstructed as a designed retaining wall.

The Village is almost 30 years old, and many renovations and improvements are the order of the day. Creating noise, dust, increased traffic and high levels of inconvenience for residents and stress on our infrastructure. However, the “renewal” of the Village is beneficial for the image of the Village, the owners and can result in the increase of the value of all properties.

There was a serious security incident that took place during July 2023. The Chairperson states that most of the resultant approved additional security measures and systems have been funded from the reserve fund and implemented successfully.

It is important to note that the Board views the security and safety of the Village and all its residents as its top priority.

The composition of the Board since the previous AGM is as follows:

DIRECTOR	PORTFOLIO
Willie Miller	Aesthetics
Petru van Zyl	Gardens, Social & Communications
Edrich Jansen	Infrastructure & Maintenance
Stephan Barac	Finances
Johan Willemse	Legal & Governance
Genevieve Marks	Security
Willem Krige	Chairperson and Security

This 2024 AGM is the third since the appointment of Edrich Jansen, Willie Miller and Willem Krige. In compliance with the stipulations of the MOI, Willie Miller and Willem Krige will retire, but both have made themselves available for re-election. Petru van Zyl and Genevieve Marks will not be available to serve as Directors in the next term. The Board called for nominations in a notification sent on 26 July 2024, only two were received.

As part of general governance, there were five well-attended and documented Board Meetings held since the 2023 AGM. These exclude various ad hoc meetings, informal discussions and committee-related interactions where issues raised by members between formal Board meetings were discussed.

To fulfil their fiduciary duties, the Directors continued to adhere to the different sets of formal rules governing the Association that were duly and unanimously approved by all Members.

The Estate Manager is in control of the day-to-day operations and management of the estate, and he liaises regularly with the Directors, ensuring that relevant matters are dealt with timeously. The Chairperson again want to urge Members to utilise the Estate Manager as the single point of contact (SPOC). This includes tenants and contractors.

4.2. Finances Portfolio – presented by Stephan Barac:

4.2.1. Financial Results for the year ending 29 February 2024: The auditors provided an unqualified opinion on the Financial Statements, and same was distributed to members prior to the meeting.

There was a surplus after tax for normal operations (from the levy fund) of R163 531. Extraordinary expenses not budgeted for included those pertaining to the additional security measures, as well as to the paving of the entrance as part of the requirements by CoT in order to affect the transfer of that portion into the name of the HOA. Extraordinary expenses are normally deducted from capital reserves, but none were in place at that time. These expenses were accordingly partially covered by the 1% levy raised on sales (amounting to R499 197) resulting in a R217 152 deficit which was set off against the General Reserve Fund. There was an ultimate net deficit after tax for the year of R53 621.

Another extraordinary expense incurred was for arrear rental payable to the CoT for the two leased stands. The arrears had accumulated to R327 000. The reason for this was that the monthly invoices from CoT had gotten lost in the offices of the Estate Management (Midcity). This catchup payment was made from the HOA's cash, but from an accounting point of view, the R327 000 was split over the

years in which they would have been incurred in the ordinary course as per the invoices received. In response to a question from a member, Stephan Barac states that the arrears seem to have accrued since 2017. The current monthly rental amounts to approximately R8 500 but was approximately R5 000 in 2017.

Stephan Barac explains that R820 000 worth of reserves were used over two financial years. In March 2022, the HOA's reserves started off on R2.2m, while only R1.4m reserves were left at the end of the 2024 financial year. There are currently no CAPEX or Infrastructure Reserves in place, and this will be discussed as part of the ratification of the approved budget for the current financial year below.

On the Balance Sheet, there were R1.8m worth of assets in the bank, and arrear levies amounted to only approximately R40 000 as at end February 2024. Stephan Barac thanked all of the members who paid their levies in advance, which amounted to approximately R300 000 as at 29 February 2024.

- 4.2.2. Discussion regarding the operating Budget: The Budget, levy increases, and implementation of special levies were approved by the Board on 6 February 2024. Stephan Barac explains that the Budget was prepared through a combination of applying the negotiated fee increases of agreements with service providers, as well as reasonable expenses estimated based on the trends and patterns of previous years. A contingency for general expenses was also factored in when preparing the budget. Considering the exceptional expenses incurred over the past two years, a 7% levy increase (slightly higher than inflation) was approved. A R300 Special Levy per month, per unit was introduced in an attempt to boost the CAPEX levy fund. This amount will normally be revisited annually, but the current suggestion is to continue to raise R300 monthly per member for the next three years.

Building fees, levies for certain project renovation stages and gate levies have not been budgeted for. The 1% sale levy towards CAPEX levies have also not been budgeted for, as it cannot be foreseen when members will sell their properties.

Johan Cloete raises concern regarding the capital reserves and protection to Directors from a risk point of view. Johann Cloete's calculations indicate that a 1% capital reserve based on a conservative valuation of all properties in the Village would amount

to R3.5m. If members continue to be levied only R300 towards capital reserves, it will take 13 years to accumulate R3.5m. He also notes that the levies received for sales are minimal and unpredictable. Johan Cloete suggests that the capital levy must in future be increased from R300 to R1 000 per month. The Board would consider this suggestion during its preparation of the 2025/2026 budget, but the Chairperson notes that the Waterkloof Village levies are already some of the highest throughout Pretoria.

Strong written objections to the implementation of special levies were received from Mr Eloff Brink and Mr Franta Poor. In Mr. Brink's memorandum sent out to all members, the Board was accused of acting *ultra vires* its functions and of transgressing the MOI by introducing the special capital levy. The Board approached a senior advocate to provide an independent and impartial legal opinion. The legal opinion confirmed that the Board was indeed acting within the scope of its mandate and in line with its MOI. Johan Willemse presents a summary of the findings contained in the legal opinion. No provision is made in the MOI that requires members' approval of the budget. Approval of the budget remains an obligation of the Board, and same must merely be presented to members for noting. Mr. Brink and Mr. Poor relied on Article 3.18 of the MOI to object to the raising of a special reserve levy on the basis that same is precluded by the MOI. Adv Japie Vorster SC has confirmed that the provisions of Article 3.18.8 do not find application to Mr. Brink's objection and concluded that the Board was clearly empowered to prepare and approve a budget for the 2025 financial year, in which provision was made for a special levy to support the company's reserves. A member suggests passing the costs of this investigation onto the complainants, but Johan Willemse explains that this will result in complex legal litigation that might ultimately end up costing more than obtaining the legal opinion. Although the procuring of this legal opinion cost R20 000, the Chairperson comments that this was money well spent. The opinion simply reaffirms that the Board is well-acquainted with the provisions of the MOI and was properly executing their prescribed duties.

4.3. Maintenance and Infrastructure – presented by Edrich Jansen:

The past year has been very eventful and involved both planned and unplanned projects. A section of the boundary wall adjacent to Villas 3 and 4 had collapsed as a result of excessive rains. Despite the resultant

disruption, inconvenience and security vulnerabilities, no injuries were caused. Future floods are inevitable, and therefore a retaining wall with weeping wholes to redirect the natural flow of water was designed and reconstructed. This project has been fully completed and Edrich Jansen thanks Corne Kruger for his patience. The full amount, less the normal excess payment, for these repairs were successfully recovered from insurance.

Another unexpected project was the paving of the entrance, as part of the municipal compliance required by CoT. This project aims to prevent water from flooding the Village during heavy rains. The Tshwane Department of Water and Sanitation had issued the necessary Compliance Certificate. This was the first essential step in the ongoing process to transfer the particular piece of land into the name of the HOA.

There was a fire in the guardhouse during May 2024, which was caused by an electrical burn in the roof. No injuries were suffered, and because precautions for such an incident were in place, the damage was minimal. All repairs have been completed and covered by the insurance.

An ongoing maintenance approach was implemented whereby an independent third party was appointed to monitor water flow on a daily basis in an attempt to detect and address leaks. It is not practical to replace the entire infrastructure of the Village, and therefore repairs are being made as and when something breaks. A review of monthly water usage over the past seven years has revealed a shortfall between the bulk and individual meter readings. This suggests that the HOA might be subsidising water bills for various individual units. The majority of the individual water meters throughout the Village are older than 15 years. Age can cause a significant decrease in the functioning of these meters, which must urgently be replaced by members. The Board will attempt to negotiate preferential rates for new meters, based on the bulk implementation.

Roy Fouche has previously raised concerns regarding pest control, and Edrich Jansen reports that there are currently 43 rodent bait stations situated across the Village. These are positioned throughout common areas and gardens. These stations are being replenished every two months.

4.4. Security – presented by the Chairperson:

One of the main reasons that members invest in the Village is its exceptional security systems, measures and protocols. There were no security breaches over the past year. This can be attributed to the

extraordinary measures taken and implementation of additional security systems.

Many of the key existing security cameras have been replaced free of charge (at the expense of the contractor) by 13 thermal security cameras, all of which are functioning properly. This obviated the initially planned installation of ClearVU fencing along part of the dam. Initially it was planned to install solar-powered security streetlights along the perimeter of the dam, but the existing footpath lights were rather replaced by LED spotlights to provide sufficient lighting at night for security purposes and to assist the patrolling guards. Additional spotlights and cameras were installed at the main gate to provide improved visibility and observation capabilities. The control system of the old security beams along the dam had to be upgraded, due to various ad hoc false alarms being generated. A new stand-by generator was installed to provide backup power to the vast majority of the security systems when necessary. This generator produces less noise and pollution and is fully functional.

It is impossible to guarantee a 100% fool proof security environment and systems. The Chairperson therefore urges members to be diligent and attentive. He recommends that members take precautionary measures to secure their Villas and to regularly test their panic buttons linked to Fidelity Security Service's control room for dispatchment of armed response (red button) and ER24 (white button).

All deviations from security controls, measures, processes, and rules are dealt with firmly and in a formal manner by applying the approved house rules – no exceptions. This is in line with the policy of the BOD of zero tolerance for security infringement/transgressions.

Building activities and alterations, as well as increased delivery services have increased traffic into and out of the Village. A general spike in traffic violations was observed, including no adherence to stop signs, speeding, obstructing traffic flow, illegal parking and spilling of vehicle substances on common roads. The Chairperson requests residents to ensure that visitors, service providers/contractors and delivery services adhere to the approved traffic rules.

Thinus Maritz has observed excessive speeding and suggests that a speed monitoring device to reflect the speeds travelled to members be installed. The Board would consider the cost implications and practicality to get such a device in place. The Chairperson notes that the majority of speeding violations are committed by non-residents.

Genevieve Marks comments that she has received a fine for a traffic violation conducted by one of her contractors. She invites members to report contractors who are perceived to violate the speed limits to Vernon, who would follow up by tracing number plates from the security camera system. The necessary fines will be issued accordingly.

Roy Fouche raises the concern that the special levy of R10 000.00 per unit proposed the previous year did not cover the expenses for the patrolling guards. The Chairperson confirms that currently there are three groups of four patrolling guards – from 6AM until 6PM, a supervisor and two guards control and patrol the premises. There is a fourth guard who patrols along the dam between 6PM and 6AM. From 10PM onwards, one of the other three guards also patrols, all in opposite directions along the dam perimeter.

A member asks about the R300 Special Levy raised per month, per unit from March 2024. The Chairperson explains that this special levy was not used to cover security expenses, but rather to help rejuvenate the capital reserves that had to be used to pay for the implementation of the additional security measures.

4.5. Aesthetics – presented by Willie Miller:

There were no new solar installations during the past year.

Due to the aging infrastructure of the Village, more and more problems are being reported by new buyers who are wishing to renovate. Further, as a result of unforeseen project issues that may arise due to aging infrastructure, it is difficult to determine the duration and exact nature of renovation projects from the outset. Project approvals will therefore no longer happen once-off, but rather in phases. Certain amendments were made to the Aesthetic Rules to accommodate an improved project approval process.

The Aesthetics Committee now comprises of Willie Miller, Vernon Ungerer and Johan Willemse, with consultant services from Fritz Thomashoff. In order to avoid any conflicts of interests, Fritz has been requested to no longer consult on individual projects, due to his incorporation into the Village's Aesthetics Committee.

All efforts are being made to maintain the French Provincial look and feel of the Village.

Robbie de Meulenaere raises a question regarding the multitude of white houses throughout the Village, and Vernon Ungerer confirms that the white/floating feather pallet is provided for in the rules. Edrich Jansen

notes that the rules preclude five houses of the white feather pallet in one row, and this will be investigated by the Board.

Another member raises the concern that Anton Hough's Villa is being painted white, which is not aesthetically pleasing. Vernon Ungerer confirms that the original colour of Hough's villa was white, but that it has not been painted in quite some time. The white colour is now more visible, due to removal of hedges in the area. Willie Miller will confirm whether the pallet used is indeed floating feather, which is permitted by the rules, and for which permission was granted.

4.6. Gardens, Social & Communications – presented by Petru van Zyl:

Gardens are a key attraction point of the Village. Challenges regarding maintenance and upkeep of the gardens were encountered over the past year, following the change in Estate Management. To support Vernon Ungerer in maintaining the gardens, Real Green has committed to a formal action plan and has sent gardening experts to review the state of gardens every second week. These experts provide guidance and training, and monitors progress. Petru van Zyl thanks members who provide constructive feedback regarding the gardens.

Thinus Maritz wants to know why the trees would not be pruned this year, and he specifically refers to the trees between the Villas of Anton Hough, Petru van Zyl, Judge Harms and Thinus's own villa affecting the view of owners. Petru van Zyl explains that the Village is acting upon the suggestion of Real Green's experts not to prune the trees this year. The Chairperson clarifies that this decision does not affect the poplar trees, but that it is only the plane trees by the common roads that will not be pruned. The other trees will still be cut back or removed where necessary. Where trees negatively impact the views and vista of any villa, this must be taken up by Vernon, as this must be avoided. Johan Cloete notes that oak trees start to block views by the end of the season, so it is essential for them to be pruned. Two other independent experts (aside from Real Green) have also indicated that too much pruning might damage Village infrastructure. In response to all of the queries and concerns, the Board undertakes to revisit its decision not to prune.

Social activities and events help to build a strong sense of community among villagers. These gatherings are promoted in order for members to get to know one-another and to welcome new members. Petru van Zyl thanks all who were able to attend the various social activities over the past year. Traditionally the social events for a year include Spring day during September (scheduled for 1 October 2024), a Christmas event during November and a Valentine's day in February.

4.7. Legal & Governance – presented by Johan Willemse:

Johan Willemse's portfolio provides guidance to the Board on legal matters and governance, as well as to ensure adherence to the MOI.

The requirements/conditions to enable the transfer of the entrance section into the company's name are being finalised.

A member has a query regarding the tax implications for purchasing the 1.1-hectare property, but Johan Willemse confirms that no taxes will be payable. The purchase price of the property is only R5 000, as negotiated some 20 years ago.

This portfolio is in the process of revising the company's MOI.

Negotiations are currently ongoing pertaining to the terms of lease of the property from the Pretoria Country Club.

Roy Fouche asks, and Johan Willemse confirms that the PCC lease will continue to include all members' individual social memberships of PCC.

The Board is also considering aspects relating to the Sectional Title, being the area across from the Estate Manager's office.

4.8. New Members: The Chairperson welcomes all new members to the Village and is looking forward to interacting with them at the scheduled social functions. He hopes that the social gatherings will let them experience the Village spirit.

4.9. Interaction with the Board: The Board is always open to criticism, advice and recommendations from members that could lead to an improvement in the over-all Village experience. Members are welcomed to use the opportunity afforded to them at Annual General Meetings to submit motions to the Board for consideration.

4.10. Report Conclusion: The Chairperson thanks everyone that constantly contributes positively to the pleasant and wonderful experience of living in the Village. We as directors volunteered to serve on the Board and serve the HOA as a whole and it can sometimes be an ungrateful job. In executing our functions and responsibilities we as the Board or individual Director perform these duties in the best interest of the HOA. We are not working for an individual Member. Our actions and decisions are sometimes questioned, criticized, objected to, we are threatened with legal action, we are abused, our integrity is questioned etc. We can make mistakes, and our decisions are not always well accepted. As a Board

the Chairperson believes the Board has done a good job and he wants to thank each and every Director for their contributions, commitment, dedication, and time sacrificed, with special thanks to Petru van Zyl and Genevieve Marks. Lastly, the Chairperson thanks all staff and service providers and the Estate Manager for their contributions.

Robbie comments that he has been living in the Village for about 20 years now, with no regrets. He notes that Vernon Ungerer is a good replacement as Estate Manager. Robbie also thanks the Board of Directors for their time investment and efforts.

5. ORDINARY RESOLUTION 3 – CONSIDERING THE APPOINTMENT OF EXTERNAL AUDITORS

The HOA has been using the services of Geyser Du Plessis Inc for many years now. There are no objections to the Board's proposal for their re-appointment, and the motion carries.

6. ORDINARY RESOLUTION 4 - CONSIDERING THE APPROVAL OF THE AMENDED WATERKLOOF VILLAGE HOA HOUSE RULES

The approved amendments introduce rules to protect security guards from misbehaviour and threats by residents. It also addresses issues regarding barking dogs. The Fines Schedule was changed so that fines are made more proportional and in line with contraventions, for example, a fine imposed for a security transgression should not be less than the fine to be imposed for barking dogs. The process of following up on transgressions was also refined – a warning would first be issued, but should the transgression continue, a fine would follow. This is with the exception of security transgressions, for which fines will be imposed immediately. The amendments were well-received by members, and the minor changes suggested will be implemented. A provision in the rules pertaining to the accrual of interest on arrear levy accounts is currently in contradiction with the MOI, but same will be amended to stipulate that interest shall be charged in accordance with the provisions of the MOI.

Johan Willemse proposes that this resolution be ratified, and no objections are received, and the motion carries.

7. ORDINARY RESOLUTION5 – CONSIDERING APPROVAL OF THE AMENDED OF WATERKLOOF VILLAGE HOA CONDUCT RULES

The Conduct Rules were aligned with the MOI, in that incorrect references to appendixes were rectified. The proposer for ratification is Genevieve Marks. No objections are received, and the motion carries.

8. ORDINARY RESOLUTION 6 - CONSIDERING APPROVAL OF THE AMENDED WATERKLOOF VILLAGE HOA RULES AND GUIDELINES FOR HOME MAINTENANCE, REDEVELOPMENT AND LANDSCAPING

Willie Miller had explained earlier that the Aesthetics Committee had revisited the processes in project approvals. Those processes had to be adapted, based on current and anticipated infrastructural issues.

Ronan Oelofsen proposes that this resolution be ratified, and no objections are received, and the motion carries.

9. ORDINARY RESOLUTION 7 - ELECTION OF THE DIRECTORS BY BALLOT

Three vacancies have become available. Only two nominations were received for Willie Miller and Willem Krige, and they are reappointed. The Board might need to co-opt people to cover certain portfolios.

10. GENERAL BUSINESS

Stephan Barac provides feedback on a letter sent to all members regarding the Community Schemes Ombud Services ("CSOS"). R40 per month has been levied from members since March 2019, which money has simply accumulated in the trust account of MidCity, as it has not been paid over to CSOS. It came to light that MidCity was unaware that the Waterkloof Village HOA was indeed duly registered with CSOS. A double registration was created, of which one had to be cancelled. As part of the process, a letter in this regard for the attention of Board members was erroneously sent out to all members. Stephan Barac assures members that the Waterkloof Village HOA is properly registered with CSOS, the money paid over and that members' monthly R40 CSOS levy will duly be paid over.

11. CLOSURE & MEETING ADJOURNMENT

The Chairperson thanks everyone who took the time to attend this AGM. He undertakes on behalf of the Board to continually consider measures to improve the Village experience for all. The meeting is adjourned and closed.