

**Midstream Hill
Homeowners Association NPC**

Non-Profit Company
Reg. No. 2009/015026/08
SIRA: 2306472



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12 November 2025

**ACTION POINTS TO THE MIDSTREAM HILL ANNUAL GENERAL MEETING HELD ON 12 NOVEMBER
2025 AT 17:00 - 19:00 AT RETIRE@MIDSTREAM HALL, 1 MADELAINE STREET MIDSTREAM**

Decisions taken

- Previous AGM minutes approved.
- Residents wishing to join the 10-Year Plan subcommittee was requested to provide details to Lindi Janse van Rensburg.
- Lindi Janse van Rensburg to send out the list of all available facilities within Midstream and advise on associated costs.
- The GMF expenses are to be included when sharing the slides and supporting documents.
- Zama Maluleke to include a slide showing budget vs expenses in her presentations with detailed financial reporting on overspent items.

MINUTES FOR MIDSTREAM HILL ANNUAL GENERAL MEETING HELD ON 12 NOVEMBER 2025 AT 17:00 - 19:00 AT RETIRE@MIDSTREAM HALL, 1 MADELAINE STREET MIDSTREAM

Directors portfolio	
Lebo Mbethe	Chair, GMF Matters, Aesthetics and Environmental
Grant Knight	Vice Chair, Community Events and Member relations and Engagement
Andre Van Niekerk	Finance
Dirk Nieuwoudt	Security and Safety
Xoliswa Mvoko	Human Resources and Organisational Structure
Neil Franklin	Facilities and Maintenance
Fanie Burgers	Corporate and legal governance

WELCOME RECORD, ATTENDANCE AND APOLOGIES

As Chairperson of the Board of Directors, Lebo Mbethe welcomed all members to the Annual General Meeting (AGM) and expressed gratitude for their attendance.

A total of 72 owners signed the attendance register, and 4 proxies were received. The Chairperson declared that a quorum had been achieved and therefore constituted the AGM as a legally convened meeting.

The Chairperson, Lebo Mbethe, confirmed that the HOA is aware of recent dissemination of misguided information and the subsequent concerns raised among residents. She clarified that the meeting's purpose is to provide a comprehensive framework and update but specifically stated that no voting on levies is scheduled for this meeting.

APPROVAL OF THE ANNUAL GENERAL MINUTES HELD 20 NOVEMBER 2024

Lebo Mbethe moved for the approval of the minutes from the Annual General Meeting held on 20 November 2024. The minutes were taken as read, with no amendments required. The motion was seconded by Kobus Kleyn and Herman Van Tonder.

THE CHAIRMANS REPORT – HOA AND GMF DEVELOPMENTS

The Chairperson report was presented via video, highlighting key projects completed / approved in the past year:

Emergency repairs and road rejuvenation project:

Road Rejuvenation project phase 1 completed. This phase for extension 51-53, included the installation of speed humps and rubber bumps. Despite the challenges of a wet summer, we also had to schedule an emergency repair phase to keep roads that deteriorated from excessive water, stable and safe. Over a million has been spent to date, with an additional R1.5 million needed to complete the full project in phase 2 which was approved at latest board meeting.

We'd like to express our heartfelt thanks to Fanie Burgers, who championed this initiative. His knowledge and hands on approach helped the Board make informed and well balanced decisions. Thank you, Fanie Burgers, for your outstanding contribution.

5m Security perimeter camera project:

Security perimeter camera project phase 1 completed, allowing for visual along the perimeter border from the reservoir leading to the cell phone tower at a cost of R451 000. Phase 2 which will not commence now, will close the loop linking back to the HOA office and main gate.

Internal electric fence upgrade project:

The board has just approved the rewiring of the internal electric fence project at a cost of R55 000. Although the energisers and controllers remain fully functional, the wires and damaged fittings will be replaced to maintain top performance. This project, weather dependent will be completed before end November 2025.

A big thank you to Dirk Nieuwoudt for leading both the CCTV and electric fence upgrade projects, and to Mauritz Cronje for coordinating all the service providers, quotations and specs for this project.

The “Jan” Plan:

The Board has dedicated significant time to refining our 10-Year Estate Plan, which serves as the foundational document for all of the estate's financial operations since its inception.

This plan builds financial resilience, providing the necessary resources to manage emergencies and sustainably protect our assets. The 10-Year Plan helps the Board effectively balance everyday operational costs with essential long-term investments that protect the value of our community.

While extensive time and forecasting were invested in this project, and we are currently in a very healthy financial position, a specific weakness in our current financial setup has come to our attention. We have identified this vulnerability and recognise the immediate need to make additional financial provisions going forward. This proactive planning allows the Board to make decisions confidently and ensure we continue to invest wisely in the future of our estate.

Though this step is challenging, we believe you will agree that these necessary precautions are vital for securing the estate's financial future. Further detailed information on this topic was presented during the financial presentation.

Closing Message:

A special thanks was extended to Xoliswa Mvoko, Fanie Burgers, and Neil Franklin for their service on the Board. They have resigned as of now and their time, input, and care have made a lasting difference.

Thank you to the Lindi Janse van Rensburg, our Estate Manager for keeping the estate running smoothly; to Christo Pretorius and our Facility team for their diligence in ensuring the estate grounds are consistently well maintained and inviting; to Mauritz Cronje for his dedication to our security; and to Zama Maluleke for aligning our finances.

To all our residents, we thank you for your trust, your involvement, and the spirit of community that defines Midstream Hill. Together, we continue to build an estate where families can thrive, where safety and peace of mind come standard, and where everyone truly feels at home.

ESTATE MANAGER REPORT

The Estate Manager report was presented via video, highlighting new staff appointments, environmental updates and successful community events:

Team Transitions and New Appointments:

This year, we bid farewell to several team members. Special thanks to Bennie van Eck, our former Security Manager; Elene Jacobs, our subcontracted Financial Manager; and Lezahne van Wyk, our former Front Office Administrator for their service and contributions to the estate. We wish them all the very best in their new ventures.

Mauritz Cronje (New Security Manager) has already demonstrated impressive dedication and a willingness to go the extra mile. We are very happy to have his leadership on board.

Zama Maluleke (Full-Time Financial Manager) played a vital role in the successful migration of our accounting system from Pastel to Xero. This significant achievement will greatly streamline our financial management going forward.

Chrisna Bruins (Newly appointed Front Office Administrator). This individual will be the friendly face welcoming you at the HOA office. Residents are encouraged to connect with our team by introducing themselves during office visits.

We are always happy to assist and appreciate the opportunity to connect personally with our residents.

Environmental and Development Updates:

An important part of our estate's identity is the wetland and with that, the rehabilitation project. Christa Clusters continues to guide efforts to restore and maintain the wetland which is one of Midstream Hill's most valuable natural assets, a space that adds beauty, biodiversity, and balance to our environment.

The wetland remains a thriving habitat for birds and small mammals, and the presence of declining plant species such as African potato, pineapple plant, and field orchids confirms a healthy, balanced ecosystem.

In 2025, major progress was made in invasive species control. Several truckloads of pompom and khaki weeds were removed after late rains. The poplar bush was successfully treated and is now largely gone, while kikuyu patches remain under control and will form part of a future eradication program.

Rehabilitation continues with the replacement of bankrupt bush by indigenous grass seed, converting hundreds of square meters into natural grassland. Exotic trees have been removed, and dead grass is cleared to promote healthy regrowth.

Community Life and Events:

One of the things that makes Midstream Hill truly special is our strong sense of community. We're fortunate to have a Director dedicated to Community Events, helping us create spaces where residents can connect, relax, and celebrate together.

We have enjoyed several wonderful occasions, from Easter celebrations to the Young Entrepreneurs Day, and of course, our ever popular Midstream Hill Wine Club, which continues to grow and bring people together in such a positive way.

Closing Message:

Thank you to every resident who takes the time to greet a neighbour, attend an event, or offer feedback, you are the heart of this community. Your support, kindness, and involvement are what make Midstream Hill more than just an estate, it's a place where people truly feel at home.

Thank you for trusting us, for engaging with us, and for making this community something truly special. Together, we are not just maintaining an estate, we are building a home, a lifestyle, and a legacy we can all be proud of. I would also like to express my deepest gratitude to our Board. Their guidance, commitment, and strategic direction make all the difference. It's a privilege to work alongside such dedicated individuals who always keep the community's best interests at heart.

GREATER MIDSTREAM NEW DEVELOPMENTS

The new developments report was presented via video, highlighting the upcoming and completed developments within the Greater Midstream area:

The 40 bedroom luxury boutique hotel will be located across the road from Midstream Medi Clinic.

Medical consulting rooms extension that will connect with the current medical park offices across Retire X55 and Midstream Hill HOA.

Shopping on Eastway Centre (Woolworths, Checkers, restaurants, entertainment and play area, offices, filling station, etc) is located on the eastern side of Midstream.

Midstream Ridge Primary multi-sport astro surface.

Midstream College astro surface project is completed.

Ascend to Midstream luxury apartments (Block G) launching Nov 2025.

6 luxury villas/townhouses next to Midstream Hill office (construction estimated to start mid 2026).

ANNUAL FINANCIAL REPORT 2024/2025

Lebo Mbethe and Zama Maluleke presented the financial slides, providing a comprehensive overview of the estate's finances.

Financial year end total cash balances:

2021	R11 074 200
2022	R 9 955 133
2023	R10 298 526
2024	R11 598 653

The estate ended the 2025 financial year off with reserve of R11.8 million.

Key Variances Explained

- There was an increase of 7% in the single levies for the year and no change in the Paramedic, CSOS and Recycling service levies.
- Property, plant and equipment have increased as there were significant additions to Security Equipment during the 2024 financial year. The increase relates to the replacement of the damaged security equipment that was damaged by lighting.
- Income from outstanding levies grew significantly, showing a 72% year-on-year increase in interest collected which resulted in an increase in the interest received from members.
- Decrease of 10.5% in the levies received in advance for the 2024 financial year.
- The payment of the income tax assessment of 2023 was still outstanding on 30 June 2024. Assessment was paid on 17/10/2024
- Separately, the write-off of security equipment was offset by the sale of a vehicle.

Overall, the HOA's liquidity, despite a slight decrease, remains sufficient, and solvency has improved thus we are able to meet our short and long term obligations.

Regarding insurance, claims for lightning damage were submitted. The Board consciously limits claim submissions to prevent future premium increases, and it was clarified that the R1.7 million payout was specifically for security equipment, not the roads project.

RECOMMENDATION FOR AUDITORS 2024/2025

Based on their excellent service, the Board recommended that Rautenbach Auditors Inc continue as our auditors for the next financial year.

FINANCIAL PLANNING REPORT

The 10 year estate planning report was presented via video by Fanie Burgers and Andre van Niekerk, followed by Lebo Mbethe who took the floor to explain the strategic reasoning behind the proposed increases:

The good news is that our estate is currently in a healthy financial position. We have sufficient reserves to cover a potential disaster, and our operations are running sustainably month to month. Over the past two years, the Board has worked cautiously and responsibly to maintain a healthy reserve position keeping expenses tightly managed, prioritising needs, and avoiding unnecessary spending even though the budget allowed for it. But at some point, being responsible also means planning ahead ensuring that future boards don't inherit financial strain.

However, our challenge lies in the fact that we are small in terms of stand numbers relative to our estate size and this means we generate lower levels of income from our residents, which in turn limits our ability to build larger reserves for future maintenance and upgrades.

Looking ahead, our 10-year forecast shows that we'll need approximately R7.5 million, including inflation, to refurbish and replace essential infrastructure such as roads, security systems, and other core assets. If we were to fund these expenses entirely from our reserves, our income levels would not be sufficient to rebuild the reserves afterwards.

The road rejuvenation project is a good example of this discipline. Although the costs were significant, delaying the work would have resulted in much higher expenses in the years ahead. That decision was made two years ago, and we've now approved the final R1.5 million required to complete the project ensuring our roads remain in excellent condition for the next decade.

The key issue we face is the need to increase income, not for today, but for the years ahead. The only sustainable way to achieve this is through either a special levy or a moderate increase in monthly levies.

Another growing cost for all Midstream estates is our contribution to the Greater Midstream Forum (GMF). These costs include legal, infrastructure, security, and environmental initiatives that benefit every resident across the greater Midstream area. Our estate contributes 6% of these shared costs which is a fair investment in the greater picture and the high quality of life we all enjoy.

Our average levy increase over the past five years has been 7%. After careful forecasting, our recommendation for this year is a 9% increase, a step aimed at gradually strengthening our reserves over the coming years.

This decision is focused on long-term planning. It won't impact the current Board directly, but it will protect future Boards from having to make difficult decisions without the financial backing they need. We cannot leave these challenges for future leadership to resolve without a plan. We hope residents will understand the reasoning behind this approach. This is not about short-term gain it's about securing long-term stability and sustainability for our estate.

This proactive planning guarantees that Midstream Hill will not only maintain its financial strength but will also continue offering families a safe, confident living environment and complete peace of mind.

A five-year sustainability review revealed that the estate does not break even on levy income alone and relies on supplementary income, noting that levy increases have historically outpaced the Consumer Price Index (CPI) with no real surplus created. The biggest contributing factor is due to the estate being fully developed with 435 properties, there are limited options for generating new income. Himalaya's development and potential levy income was not considered in these calculations.

Security constitutes the majority of the budget, accounting for approximately 50% of total expenditure, with an additional 7% allocated to the Greater Midstream Forum (GMF).

The overall growth in the reserve funds particularly over the last 3 years stems primarily from the long-term fixed investment. The reserve fund started the year at R12.9 million but is projected to decrease by R2 million due to the road repairs project and GMF contributions.

The fundamental question the Board faced was whether the current reliance on additional income would be sufficient to maintain operational stability and achieve a break-even point. Unpacking the 10-Year Plan revealed clear indications of the specific years designated for necessary maintenance, refurbishment, and replacement activities.

RESERVE FUND - IN 10 YEAR CYCLE				
Description	Maintain amount	Repair amount	Refurbish amount	Replace amount
Office equipment & in-office IT equipment				R 511,831.39
Camera & access control equipment at gate		R 150,000.00		R 555,846.13
Gate house & swimming pool structure & pool	R 50,000.00		R 200,000.00	
HOA Vehicles		R 17,500.00		R 640,000.00
Roads	R 219,399.00	R 32,500.00	R 3,720,276.00	R -
Smaller road items	R 85,325.00	R 24,323.00	R 30,000.00	
Stormwater system	R 55,700.00	R 29,725.00	R 147,100.00	R 8,000.00
Sub-soil drains	R -	R 8,368.00	R 78,450.00	
Stormwater attenuation ponds	R 50,000.00		R 80,000.00	
Security Walls (Corojem boundary wall)	R -	R 25,720.00	R 452,248.24	
Palisade boundary wall	R -	R 17,146.67	R 452,248.24	R -
Palisade Boundary Wall Electrical Wires	R -	R 34,293.33	R -	R 624,000.00
	R 460,424.00	R 339,576.00	R 5,160,322.48	R 2,339,677.52
	Annual Maintenance Amount	R 800,000.00	10 Year Cycle Amount	R 7,500,000.00
	Must be included in annual budget		This amount must be available at any given point in time.	
This has been discounted for future value discounted @ 3.5% inflation.				
FUTURE VALUE	R 10,579,490.70			
Formula				
	$FV = PV \times (1 + r)^n$			
Projected reserves balance by 30 June 2026.	R 10,890,787.25			

This slide indicates that although we need R7.5 million for the 10 year plan, we are not adding anything to the reserves. R7.5 million in future value over the 10 years is 10.5 million. Only the interest gained at this stage is noted to build the reserves.

LEVY INCREASE COMPARISON (2026 - 2036)					
	Current Year 2025/2026 Year 0		2027 Year 1	Refurbish Year 2031 Year 5	Refurbish & Replacement Year 2036 Year 10
3% Levy Increase	Levy Amount per Household	R 2,579.23	R 2,656.61	R 2,990.03	R 3,466.27
		13,463,580.60	13,867,488.02	15,607,979.94	18,093,926.49
	Other Income (Fixed)	507,587.72	546,541.56	735,273.00	73,351.36
	Budgeted Spend	13,742,029.98	14,429,131.48	17,538,699.50	22,384,318.80
	SURPLUS / (DEFICIT)	229,138.34	15,101.90	1,195,446.56	4,217,040.95
	Balance of Reserves (O/B)	12,963,251.38	11,938,480.99	8,639,776.99	23,206,579.27
	Annual Repair & Maintenance	1,921,293.00	-R828,000.00	-R7,833,772.21	10,579,490.70
	GMF Costs	380,309.47	-R392,506.24	514,495.62	721,606.72
	Balance of Reserves (C/B)	10,890,787.25	10,702,872.84	790,126.18	40,749,637.13
	Target Reserves in 10 Year Cycle	10,579,490.70	10,579,490.70	10,579,490.70	10,579,490.70
		311,296.55	123,382.13	11,369,616.89	51,329,127.83
NOTES					
1 A 3% (CPI-linked) levy increase is insufficient to cover the estate's annual operating costs, as CPI does not reflect the nature of our expenditure.					
2 Salaries have increased by 6-7% per annum.					
3 Ekurhuleni water tariffs rose by 15% for the 2025/2026 financial year.					
4 Eskom electricity costs increased by 12.75%.					
5 Employee benefits rose by 12% (medical aid), while insurance premiums increased by 25% due to lightning-related asset claims in FY24 and FY25					
6 GMF Costs are pre-determined at the GMF meetings and increase by 7%.					
This means an increase of R77.38 per month per resident .					
Operating expenditure growth significantly outpaces CPI; therefore, Linking levy increases solely to CPI would be financially unsustainable.					
	Current Year 2026		2027 Year 1	Refurbish Year 2031	Refurbish & Replacement Year 2036
7% Levy Increase	Levy Amount per Household	R 2,579.23	R 2,759.78	R 3,617.50	R 5,073.74
		13,463,580.60	14,406,031.24	18,883,368.27	26,484,900.85
	Other Income (Fixed)	507,587.72	546,541.56	735,273.00	73,351.36
	Budgeted Spend	13,742,029.98	14,429,131.48	17,538,699.50	22,384,318.80
	SURPLUS / (DEFICIT)	229,138.34	529,441.32	2,079,941.77	4,173,933.41
	Balance of Reserves (O/B)	12,963,251.38	11,938,480.99	15,782,451.20	21,092,668.88
	Annual Repair & Maintenance	1,921,293.00	-R828,000.00	7,833,772.21	10,579,490.70
	GMF Costs	380,309.47	-R392,506.24	514,495.62	721,606.72
	Balance of Reserves (C/B)	10,890,787.25	11,241,416.06	9,627,936.37	11,940,585.38
	Target Reserves in 10 Year Cycle	10,579,490.70	10,579,490.70	10,579,490.70	10,579,490.70
		311,296.55	661,925.36	951,554.34	1,361,094.67
NOTES					
By Year 10, the HOA will be positioned to fund refurbishment and replacement costs while maintaining a healthy reserve for the next 10-year cycle.					
A 7% levy increase ensures financial stability and alignment with reserve targets.					
This means an increase of R180.55 per month per resident .					
	Current Year 2026		Year 1 2027	Refurbish Year 2031	Refurbish & Replacement Year 2036
9% Levy Increase	Levy Amount per Household	R 2,579.23	R 2,811.36	R 3,968.47	R 6,105.98
		13,463,580.60	14,675,302.85	20,715,387.63	31,873,191.64
	Other Income (Fixed)	507,587.72	546,541.56	735,273.00	73,351.36
	Budgeted Spend	13,742,029.98	14,429,131.48	17,538,699.50	22,384,318.80
	SURPLUS / (DEFICIT)	229,138.34	792,712.93	3,911,961.13	9,562,224.20
	Balance of Reserves (O/B)	12,963,251.38	11,938,480.99	21,744,252.24	54,041,905.54
	Annual Repair & Maintenance	1,921,293.00	-R828,000.00	7,833,772.21	10,579,490.70
	GMF Costs	380,309.47	-R392,506.24	514,495.62	721,606.72
	Balance of Reserves (C/B)	10,890,787.25	11,903,193.92	17,936,252.38	62,475,650.73
	Target Reserves in 10 Year Cycle	10,579,490.70	10,579,490.70	10,579,490.70	10,579,490.70
		311,296.55	1,323,703.21	7,356,761.68	51,896,160.02
NOTES					
A 9% levy increase establishes a strong long-term reserve and financial buffer. The reserve target is projected to be achieved by Year 5, creating a surplus that may allow for moderated levy increases thereafter. By 2033, a 9% increase equates to an additional R232.13 per month per resident - in addition to the current levy of R 2 579.23.					

In doing this exercise, at 5 % we breaking even, at 3% we in essence will have to pull from reserves to cater for operational costs and within 5 years the reserve funds will be depleted. At 7% increase, in year 5, after you have refurbished, that is the R6.5 million in future value, you will sit with a reserve of R9.6 million. To get back to the target reserve of R10.5 million you will need to put back R951 000 annually.

A 9% levy increase, amounting to R232, would place the estate in a comfortable position to significantly grow its reserve fund. At 9% increase, at year 5, the reserves will be R17.9 million, and at year 10 the reserves will be R62.4 million with R51.8 million in excess of targeted reserves.

A comparison of the reserve funds within the rest of Midstream estates:

Midstream Estates	Levies	Reserve funds	No of full title stands
Midstream	2,306.00	28,000,000	1571
Midfield / Meadows Combined	2,205.00	33,813,889	960
Ascend	1,342.00	8,140,447	189
Midlands	2,397.20	21,821,156	1683
Retire Full Title	3,589.00	9,500,000	238
Midstream Hill	2,675.23	12,376,128	435
Ridge / Heights Combined	2,210.21	38,000,000	1340

Residents interested were invited to join the finance sub-committee to help plan and prepare solutions for future growth without reaching year 10 and possibly facing special levies.

INTRODUCTION TO NEW DIRECTORS

We recently said goodbye to three valued Board members, resulting in three open vacancies. We are pleased to share that the transition was seamless. Since we had exactly three wonderful new candidates volunteer for the three open positions, a formal community vote was not required

The three newly appointed Board members were formally welcomed and introduced to the community:

- Adele Joubert
- Georg Janse van Rensburg
- Orlando Da Almeida

QUESTIONS AND ANSWERS

Kobus Kleyn ST4330:

- Himalaya's once developed will positively contribute to the levies as the maintenance costs will fall away.
- Given the investment in installing CCTV cameras within the 5m perimeter, should the Board not consider reducing the security personnel complement.
- Agreed that the levies is not sufficient to cover all operational expenses, noting that staff salaries and their increases is a growing concern.
- Previously the road safety traffic cops brought in a substantial amount which assisted in building the reserves.
- The 10 year plan being implemented whilst being part of the previous board, it is established that a minimum of R8.5 million was sufficient to cater for the 10 year plan.
- Stronger collection measures are to be put in place for Bad debtors
- The reason why levies is so high is that we are the smallest estate. If the levies are high and continue to grow higher than cpi, this will have a negative impact on our property value and future sales.
- Why is the board not continuing to drive shared services with Midlands Directors. By joining the 2 estates that will assist with the biggest area of savings.
- Lindi Janse van Rensburg was requested for information to prepare for this meeting which was not received.
- The board is to consider direct approaches for once off increases instead to cater for a project rather than increase the levies stay the same with the normal 5% increase.

Lebo Mbethe answered:

- Following our discussions with the Midlands board, they have declined our shared services proposal, citing their more favourable financial position. It is also clear that our operational philosophies are misaligned. For example, they view traffic enforcement as a revenue stream involving third parties—a stance we fundamentally oppose. As discussed in our GMF meetings, we believe traffic safety measures should focus on the security of our residents and future generations, rather than penalising visitors like Uber drivers for profit. If additional funding were required, we would prefer a transparent, nominal levy increase (e.g., R10–R20) over using fines as a primary income generator.

- Our efforts to increase intercompany recoveries from Bondev for our spike systems were unsuccessful. Similarly, our suggestion to deploy our security personnel at the hospital to create additional revenue streams were also not accepted.
- While GMF-level discussions often emphasise the importance of collective cooperation, we have encountered a significant degree of protectionism. Unfortunately, estates in more favourable positions appear hesitant to extend support to those in need. Despite these challenges, we remain committed to exploring alternative collaborative strategies.
- The escalating GMF contributions are a significant concern; our annual commitment has nearly doubled, now totalling approximately R1.5 million. Most recently, despite our opposition, the estate was outvoted on a resolution regarding security incentive bonuses, resulting in an unbudgeted expenditure that we are now required to absorb.
- Our final presentation was completed this afternoon following a deep dive into our revenue risks. We decided to display certain income streams separately to maintain a conservative and realistic budget. For example, the MTN tower lease to account for the possibility of these contracts being terminated or relocated.
- Our decision boils down to paying now or paying substantially more later. We are proceeding with the R1.5 million infrastructure allocation, as failing to address these road repairs immediately would be fiscally irresponsible and would result in an exponential increase in future repair costs.
- We would highly value your participation in this group as your institutional knowledge and historical context are vital for our future planning. While our current strategy is based on the initial 10-year plan, the recent R2 million infrastructure deficits—driven by urgent road repairs—highlighted the need for a more robust approach. We will be sharing the presentation and welcome all feedback and encourage you to scrutinise the figures and provide input on how we can collectively reach our financial targets.
- Dirk Nieuwoudt emphasised that tonight's communication serves as a proactive briefing on the challenges currently facing the estate. There will be no immediate levy increases. We have a window until the next budget period in early 2026 to find alternatives to a standard percentage increase. This is about transparency—showing you the numbers as we see them today. We welcome our new board members to the team to help us re-examine these problems and adjust our strategy. Currently, to maintain a viable 10-year plan and address our reserve shortfall, our projections suggest a 9% year-on-year increase, however, the implementation of this figure is subject to a full review of the plan.

Graham Cornelissen ST3880:

- You mentioned a couple of times R1.5 million roads expense which is unplanned and unbudgeted. That on the financial statement wasn't capitalised that was pushed through the income statement as an expense. He asked if the amount of money spent for all expenses within this year was claimed back from insurance.
- The financials for the period ending June 2025 reflect an unplanned R1 million expenditures on road infrastructure. Had it not been for this non-recurring expense, the estate would have realised a profit of about R1.5 million. When adjusting the current surplus of R358,000 to account for this emergency outlay, the normalised profit would have reached approximately R1.5 million. Despite absorbing these significant unforeseen costs, we still concluded the period with a surplus, which raises the question of why a significant levy increase is being requested based on a year of 'low' profit. Looking at the financial statements holistically, ending with a R358 000 surplus during such an exceptional year demonstrates resilience. Therefore, it is irresponsible to use the FY2025 results as a baseline to project financial difficulty or to justify future fee adjustments. Noting the contributions from all members and that these costs were absorbed, he then went on to give an example that every 1% levy increase is R130 000 difference at year end. At 5% vs 9% makes for R520 000 difference in total.
- What is the surplus at the end of the financial year 2025 as the audit financial statement shows R358 000? What was the increase in reserves from that surplus?
- Confirmed that he will join the sub-committee and requested the financial modelling and the 10-year plan to be sent to all for review as he noted mistakes on the displayed information.
- What is the process for next year March April to receive the mandate from the directors and schedule a meeting for early February 2026.

Lebo Mbethe answered:

- Zama's presentation noted over R1 million in one-time insurance claims and expenses. Note that the R1.5 million road infrastructure budget remains part of the 2026 financial year which has not yet been spent as yet.

Zama Maluleke answered:

- The R1.7 million insurance claims received were for security equipment replacements that was damaged due to lightning. This was not for the roads. The R1.5 million we are referring now is the projected spend for the roads that we are about to undertake. The FY2025 reflect the million that has already been spent on the roads. FY2026 will reflect the new costs as referred to in the video presented earlier.

Dirk Nieuwoudt answered:

- Dirk Nieuwoudt commented the principle is that we have a surplus of R358 000 now, and with the million unexpected expenditure, we would have had R1 358 000. This was due to exceptional income received.

Lebo Mbethe answered:

- Below table shows the surplus / deficit at the end of each financial year. The only reason why we are able to present a surplus is by bringing in additional income

	LEVY INCOME	SPEND	SURPLUS / (DEFICIT)	OTHER INCOME
FYE 25	12,692,038.44	12,765,159.05	-73,120.61	1,226,495.00
FYE 24	11,786,013.97	11,737,309.28	48,704.69	2,028,498.00
FYE 23	10,989,835.65	11,645,953.80	-656,118.15	982,343.00
FYE 22	10,183,754.55	10,557,432.20	-373,677.65	1,136,853.00
FYE 21	9,448,639.35	10,116,774.99	-668,135.64	805,847.00

- Over the past four years, besides from the monthly interest gained on investments there has been no other growth to the reserves.
- Lebo Mbethe requested all members who are interested in actively participating in presenting solutions to join the sub-committee. We are also hopeful that by the time we meet we will have a better idea what the GMF budget will be.

Stephen Larkins ST4014:

- Gave appreciation for transparency, videos, and early engagement.
- Board to consider engaging with the community again to collect the general consensus / feelings on certain items / newsletters / sampling voting pools / etc
- On the procurement and expense side, and being part of the greater Midstream group, the combined advantage is that we have a huge surplus across all estates, which surely gives us buying power. By co-aligning our procurement and infrastructure maintenance projects, we can create the necessary scale to attract major corporate partners. This is a strategic avenue we must explore for all future large-scale projects.
- Apart from the wetland, Midstream Hill has no benefiting facilities available to us. Other estates were built with beautification areas, sports facilities, etc. Question is who owns Himalaya's and will be taking the levies into our forecast?
- Why cant we as residents gets access to other estates sports facilities, gyms, squash courts, Midlands tennis courts, etc, who are part of this GMF? What benefit does the GMF offer Midstream Hill residents who don't have anything?
- Listening to everyone's argument about the 10-year plan, he is of the opinion that he would rather have a steady base and when that risk changes then one can revisit this argument. For now there is more than enough time to

explore and adapt to this plan before making any decisions. More communication on the financials can be given during the year knowing the economy is not in a good financial situation.

Lebo Mbethe answered:

- Himalayas is currently owned by Bondev; however, upon completion of the project, the associated levies will be integrated into our long-term budget planning.

Grant Knight answered:

- The Midstream sports club allows all residents to register at each gate that in turn allows them to walk, run, jog, cycle within all estates. One can also register at Midlands to make use of their pool, which comes at a cost.

Sihle Lande ST3899:

- The slides should display a breakdown indicating what the board has done to save on costs.
- More details are to be given on phase 2 road project.

Lebo Mbethe answered:

- Phase 2 of the road project referred to in the video, this completes the rest of the estate.
- During our budget review earlier this year, we conducted a rigorous audit of all costs and SLAs. We successfully negotiated improved pricing across several contracts and have implemented strict cost-saving measures, such as purchasing one ply toilet paper for all departments and board members self-funding their own refreshments. Furthermore, our payroll at Hill is currently the lowest among all Midstream estates. The current budget is lean and offers no further room for savings; however, we invite anyone interested to join the sub-committee to help identify additional efficiencies. It is important to note that 50% of our expenditure is dedicated to security. To ensure staff retention and regional alignment, guard rates are standardized across all estates. These fixed costs, combined with rising GMF contributions, remain our primary financial drivers

Johan Geldenhuys ST4266:

- Stated that it seems the group is missing the point. The board has decided that the reserves are insufficient and now we all debating how to increase the reserves. Yes, we must break even from monthly levies and expenses. The question is to how do we create revenue to increase our reserves? He suggests that a more rigorous analysis of the 10-year plan is required to determine the optimal reserve level, specifically by normalising the data and removing the exceptional costs incurred last year. Once this baseline is established, we can accurately assess whether a reserve shortfall exists. If a deficit is confirmed, we must then evaluate the most effective funding mechanism: a permanent levy increase or a targeted special levy.

Innocente Burgers ST4103:

- Thanked the Board for raising their concerns to all members and questioned if we know what is actually required, have we quantified that number and where do we draw the line on how much we actually need?
- The GMF expenses are to be included when sharing the slides and supporting documents,

Lebo Mbethe answered:

- This aligns precisely with the Board's concerns, which are largely informed by our operational experiences during this period. Once we have consolidated all the inputs, we will be better positioned to make an informed, data-driven decisions regarding our future strategy.

Dirk Nieuwoudt answered:

- Our analysis began with the sustainability of our reserve funds. Regardless of the current balance, the rate of replenishment is no longer keeping pace with our projected outflows. Over the past decade, these reserves were built during the estate's 'infancy' when we managed only baseline operating costs. Now that the estate has matured, our ability to generate interest and grow these reserves is under severe strain. We are entering a cycle that requires

significant expenditure on asset refurbishment and replacement, compounded by the rising operational costs outlined by Lebo Mbethe.

Heather Sheriffs ST4117:

- Thanked the board for their time and dedication served.
- Is the facilities a full time team or are do we contract out this function?
- Concerns were raised pertaining to the upkeep of the estate grounds stating that on many occasions she has seen the staff roaming around instead of completing their daily tasks. The Jungle Park and Vlei land were specifically mentioned.
- The board is to consider a 5-year realistic plan and questioned if the members will be given an opportunity to vote upon the outcome of financial increases and have any of the other Midstream estates put forward a 9% increase. She is not in favour of the 9% proposed increase and asks the board to consider a lower percentage increase.

Lebo Mbethe answered:

- Prior to any vote, our goal is to refine the current strategy until we are confident that the final version presented to members is the most effective and well-considered plan available.
- At present, our estate is the only one proactively discussing these figures. Their respective adjustments will only be disclosed at the GMF level closer to the conclusion of the next financial year.

Graham Cornelissen ST3880:

- Who will vote on the final outcome - Directors or residents?

Lebo Mbethe answered:

- Residents will be afforded the opportunity to vote on the proposal. The survey method conducted in the past will be used.

Graham Cornelissen ST3880:

- Doesn't agree to the survey method as not everyone votes on such a survey. Can we get clarity on the process for all residents to vote; will it be 1 vote per property, and what happens when not all residents vote?
- Surveys are not a legal form of voting as noted that previous surveys conducted were manipulated by members in the past.
- Next year AGM slides to include a slide showing budget vs expenses.

Lebo Mbethe answered:

- At this stage the voting process on the way forward will be investigated noting the comments just received.

Kobus Kleyn ST4330:

- The Board is bound by fiduciary duties that mandate the protection of the estate's financial health and best interests. Although the MOI grants the directors the authority to approve budgets without a general vote, we recognise the value of collaboration. To that end, the newly formed committee will serve as a consultative body, providing recommendations to the Board to inform our final decision-making process.

CLOSING AND THANK YOU

Lebo Mbethe thanked all members present for their attendance and participation and closed the meeting.

Approved by the Chairperson:

Lebo Mbethe Signature

11 November 2026

Directors: O De Almeida, A Joubert, G Janse van Rensburg, GJ Knight, M Mbethe, DJ Nieuwoudt, AE Van Niekerk