



(Registration Number: 2001/000705/08)

NOTICE TO MEMBERS IN TERMS OF SECTION 60 OF THE COMPANIES ACT, 71 OF 2008 ("THE ACT")

1 NOTICE

Notice is hereby given to members of the Raptor's View Home Owners' Association NPC ("the Association") that the board of directors of the Association ("the Board") hereby submits the following resolutions to members, to be considered and voted on in writing in terms of section 60 of the Act:

RESOLUTIONS FOR CONSIDERATION AND ADOPTION

1.1 *Approval of Phase 1 of the Water Storage Project* Ordinary Resolution Number 1

"RESOLVED THAT the Association be and is hereby authorised to proceed with phase 1 of the water storage project, comprising the erection and installation of one 773 kilolitre tank on the common property owned by the Association situated between Tawny Eagle Road to the Western fence line south of the Zandspruit ("the Property"), the connection of the tank to the main municipal water supply with sound proof generators at both pump stations and the preparation and submission of any rezoning applications in relation to the Property which may be required."

1.2 *Approval of Capital Expenditure* Ordinary Resolution Number 2

"RESOLVED THAT, subject to the passing of ordinary resolution number 1, the board of directors of the Association be and is hereby authorised in terms of clause 14.7.3 of the Memorandum of Incorporation of the Association to incur capital expenditure in the amount of R2,844,817 for the purpose of the project approved in terms of ordinary resolution number 1."

2 REASON FOR ORDINARY RESOLUTIONS NUMBERS 1 AND 2

Due to the frequent interruption in the supply of water to houses on the Raptor's View Wildlife Estate ("the Estate") by the Maruleng Municipality, in October 2013 the Board decided to investigate the feasibility and cost of installing additional water storage capacity on the Estate. To this end, the Board engaged Consolv Consulting Engineers in

2014 to undertake a preliminary investigation and design a potable water storage solution to ensure:

- a backup supply of water for about 2 days in the event of a total interruption in the municipal supply;
- sufficient water pressure for all stands on the Estate, especially those stands at higher elevations; and
- sufficient water pressure at the various fire fighting water hydrants located around the Estate.

The Board presented Consolv's findings to members of the Association at an information evening held in August 2014. The water storage project was split into two phases. Phase 1, which is the subject of the resolution proposed in this notice, consists of one 773 kilolitre tank that is connected to the main municipal water supply with sound proof generators at both pump stations enabling water to be supplied to owners during power cuts. Phase 2, which will only be considered by the Board and presented to members at some point in the future, consists of an additional 773 kilolitre tank and a water purification plant which will be connected to the phase 1 tank.

Initially, the Board intended to erect the water storage tank on stand 10, which was purchased by the Association in 2014. However, a number of objections to the Board's application to have the stand re-zoned were received and, following the meeting held with interested and affected parties on 5 August 2015, the Board agreed to investigate other potential locations for the tank.

Pursuant to its investigation, the Board identified 5 potential options for the water storage project. Each of these options are discussed below and depicted on a plan annexed as "A" hereto.

2.1 **Potential Options for the Water Storage Project**

2.1.1 *Option 1 – Close to the Western Fence line* – Estimated cost to the Association R 2,844,817.

The tank would be erected on the portion of the common property which extends from Tawny Eagle road to the Western fence line to the South of the Zandspruit. It is at an elevation of 512 metres.

The proposed location of the tank, booster pump and backup generator is depicted on the plan below.

Positives:

- The land is owned by the Association.

- A number of the surrounding stands have agreed to the proposed location of the tank.
- It is the least expensive option.
- No pump house relocation is required.
- If any flood event occurs in the Zandspruit that damages piping, phases 2 and 3 of the estate will have water, if only for a few days. Phase 1 would have the municipal supply.

Negatives:

- An application for re-zoning may be required.
- The elevation.

2.1.2

Option 2 – Stand 10 – Estimated cost to the Association R3,147,688

Stand 10 is the first residential stand on the right hand side of the entrance road after Safari Junction and the Raptor's Lodges. It is situated next to the main incoming pipeline and water meter. It is at an elevation of 516 meters.

Positives:

- The land is owned by the Association.
- It is the closest option to the main water supply pipeline.

Negatives:

- The land is required to be rezoned.
- The application for rezoning is unlikely to succeed in the light of the objections lodged thereto by neighboring stands.
- Pump house 1 will be required to be relocated to stand 10.
- The elevation.

2.1.3

Option 3 – Southern Cross Schools ("SCS") – Estimated cost to the Association R4,317,229.

After hearing of the Municipality's plan to build a water treatment plant on land purchased from Welverdiend alongside the railway spur, the Board considered areas in the north east of the Estate. To this end, SCS agreed to make a suitable piece of land above the sports fields available to the Association on the condition that the Association supplies electricity and water

to its sports fields and parking area. SCS will provide its own storage and booster system to supply water to the school.

The proposed site is at an elevation of 531 meters.

Positives:

- It has the highest elevation of the proposed sites.
- It is within reasonable proximity of the proposed site for the new Municipal Water Treatment Works.

Negatives:

- The land is not owned by the Association and therefore a servitude will be required to be registered in the Association's favour.
- It is the most expensive option, requiring more than 1800 metres of trenching and piping from the main water supply line.
- Pump house 1 will be required to be relocated to the site.

2.1.4 *Option 4 – Welverdiend* – Estimated cost to the Association R4,083,771.

Portion 6 of the Farm Welverdiend 243 Proprietary Limited ("Wolverdiend"), which is owned or controlled by GT Ferreira, Dirk Schoeman and Trevor Jordan, has offered land immediately east of the Buffalo Camp on the following basis:

2.1.4.1 Welverdiend will:

- re-zone, subdivide and transfer to the Association 3600m² of land just east of the Buffalo Camp for construction of the proposed water storage and treatment facility;
- register a right of way servitude from the Estate to the above mentioned portion to enable direct access by the Association;
- build a hide at a cost of R200,000 that will only be accessible by foot from the Estate and a waterhole at a cost of R30,000 on the proposed servitude;
- bear the legal costs of re-zoning, registration, transfer and fencing (estimated at R500,000);
- together with the Welverdiend Properties Share Block Company, contribute R500,000 towards the construction of the water storage facility;

- make an additional once off payment of R1,000,000 to the Association; and
- contribute an agreed amount to the ongoing maintenance costs of the water storage facility.

2.1.4.2 Welverdiend will procure that Green Fig Proprietary Limited (which is owned or controlled by Trevor Jordan) will transfer the current refuse collection yard near the contractor's gate to the Association at no cost.

2.1.4.3 In exchange, the Association would be required to:

- supply Welverdiend home owners, Khaya Ndlovu Manor House and the proposed new Wildlife Rehabilitation Centre with water from the storage facility; and
- consent to the registration of a 10 hectare servitude across the south east corner of the Estate for the sole purpose of game movement between Bloubank, the Estate and Welverdiend.

The location and extent of the various portions of land included in this proposal are shown below:

Positives:

- The financial contributions reduce the overall cost.

Negatives:

- This is the most complex option due to the number of parties involved and the terms of the deal. Legal advice from the Association's lawyers would be critical.
- The subdivision will require Ministerial consent.
- Pump house 1 must be relocated.
- Some 10 hectares at the bottom south east corner of the Estate would be lost to members.

2.1.5 *Option 5 – SCS* – Estimated cost to the Association R4,138,706.

This is a variation of option 3. However, the trenching and piping to the storage tank adjacent to the school playing fields would be routed along the southern boundary of SCS property.

Positives:

- It has the highest elevation of the proposed sites.

- Proximity to the proposed new Municipal Water Treatment Works.
- Less expensive than option 3 due to a reduction in the trenching and piping.

Negatives:

- The land is not owned by the Association and therefore a servitude will be required to be registered in the Association's favour.
- Pump house 1 will be required to be relocated to the site.

2.2 Capital Cost Comparison

The capital cost estimate for the five options is shown below:

WATER STORAGE PROJECT - PHASE 1. (ONE STORAGE TANK AND SOUNDPROOF GENERATOR AT EACH PUMP HOUSE).					
<u>SUMMARY OF COST ESTIMATES</u>	Original proposal on Zandspruit fence line (1300 m trenching / piping)	On stand 10 (55 m trenching and piping).	Above SCS sports fields (1800 m trenching and piping).	On new land acquired from Jordan Properties near Buffalo Camp (1430 m trenching and piping). ¹	Above SCS sports fields with connection to main school (1400 m trenching and piping).
DESCRIPTION	OPTION 1	OPTION 2	OPTION 3	OPTION 4	OPTION 5
	February 2017.	February 2017.	February 2017.	February 2017.	February 2017.
TOTAL COST ESTIMATE FOR PUMPING	R 940 971	R 595 774	R 1 680 143	R 1 473 973	R 1 537 780
TOTAL COST ESTIMATE FOR ELECTRICAL AND CONSTRUCTION ²	R 898 442	R 1 048 442	R 1 283 442	R 1 253 442	R 1 283 442
TOTAL COST ESTIMATE ASSOCIATED COSTS	R 429 182	R 865 903	R 479 182	R 529 182	R 479 182
TOTAL PROJECT COSTS.	R 2 844 817	R 3 147 688	R 4 317 229	R 4 083 771	R 4 138 706

2.3 Conclusion

Having regard to the positives and negatives associated with each option, particularly the costs and the complexity (and consequently the time it will take to completed the project) thereof, the Board has resolved to recommend option 1 to members.

3 THE EFFECT OF THE PROPOSED RESOLUTIONS

The effect of ordinary resolutions number 1 and 2, if adopted, will be to confer authority on the Board, in terms of clause 14.7.3 of the Memorandum of Incorporation of the Association, to:

¹ The acquisition of extra land for the water storage facility and the benefits of a new water hole and hide in the southern wilderness area are not accounted for above.

² The cost of piping for options 3, 4 and 5 assumes that the installation will take place before the Municipal Water Treatment Works are built. If not there could be savings in piping with a direct feed from the Works. However, it is not known whether a direct feed from the Works to the Estate is a possibility.

- 3.1 make application to the Municipality for the rezoning of the common property owned by the Association situated between Tawny Eagle Road to the Western fence line south of the Zandspruit (“the Property”);
- 3.2 subject to the approval of the rezoning application, erect and install one 773 kilolitre tank on the Property and the connection of the tank to the main municipal water supply with sound proof generators at both pump stations; and
- 3.3 incur capital expenditure in the amount of R2,844,817 for this purpose.

4 **RECORD DATE**

The record date for determining which members are entitled to decide any matter by written vote, as contemplated in section 60 of the Act, is 27 March 2017.

5 **VOTING**

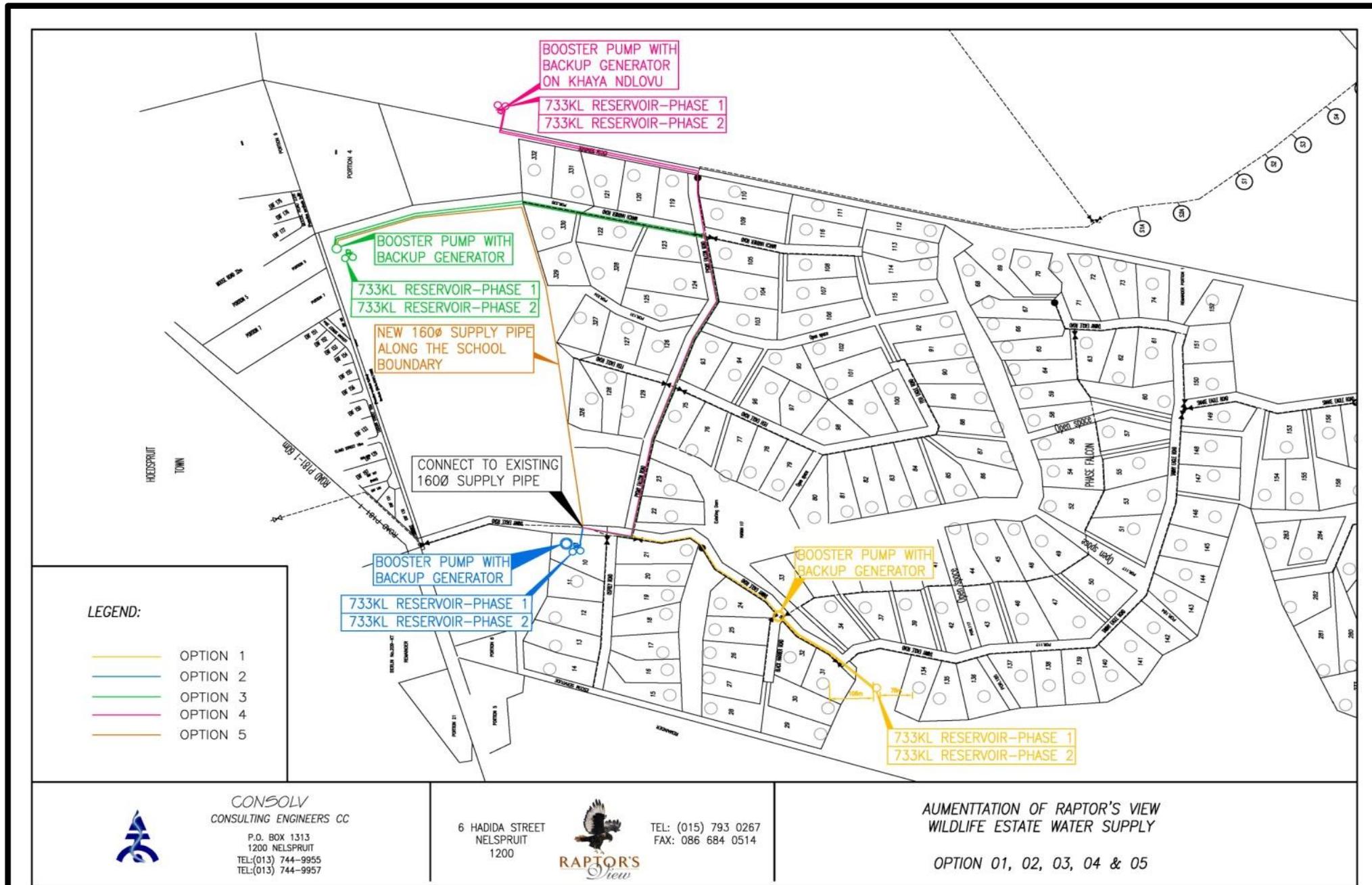
- 5.1 A member entitled to vote on the above resolutions shall be entitled to vote on the resolutions within 20 business days after the resolutions have been submitted to members.
- 5.2 Members wishing to vote on the above resolutions shall deliver a completed and signed copy of the attached Voting Form to the Association by 26 April 2017, i.e. within 20 business days of the date of receipt of this notice, by:
 - 5.2.1 hand, to 14 Safari Junction, Hoedspruit; or
 - 5.2.2 e-mail, to rvhoa@mweb.co.za.
- 5.3 For the above ordinary resolutions to be adopted, each resolution must be supported by more than 50% (fifty percent) of the voting rights exercised on the resolution.
- 5.4 In the event that the above resolutions are adopted, the Association will, within 10 business days thereafter, deliver a statement to every member entitled to vote on the resolution describing the results of the vote in accordance with section 60(4) of the Act.

By order of the board



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Chairperson

Date: 27 March 2017



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**AUMENTATION OF RAPTOR'S VIEW
 WILDLIFE ESTATE WATER SUPPLY**

OPTION 01, 02, 03, 04 & 05