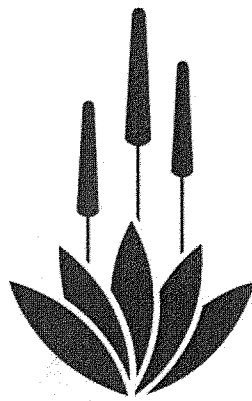


THE ALOES LIFESTYLE ESTATE MANAGEMENT ASSOCIATION

MEMORANDUM OF INCORPORATION



THE ALOES

LIFESTYLE ESTATE

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THE
MEMORANDUM OF INCORPORATION
OF
ALOES LIFESTYLE ESTATE MANAGEMENT ASSOCIATION NPC
REGISTRATION NUMBER: 2012/065761/08

***ALOES LIFESTYLE ESTATE
MANAGEMENT ASSOCIATION NPC***

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**REPUBLIC OF SOUTH AFRICA
COMPANIES ACT, 71 of 2008(as amended)**

**MEMORANDUM OF INCORPORATION OF A NON PROFIT COMPANY WITH
MEMBERS**

NAME OF COMPANY:

ALOES LIFESTYLE ESTATE MANAGEMENT ASSOCIATION NPC

Registration no: 2012/065761/08

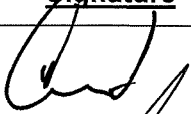


This is referred to in the rest of this Memorandum of Incorporation as "the Company"

The Company is a Non Profit company with the object;

To act as an Estate Management Association, Incorporated as a Non Profit Company for the township in the development area and generally to take transfer of portions of the estate common property that are to be owned by the Association for the benefit of its members, the full title stand owners and unit owners and to promote, advance and protect the interests of the members of the Association, full title stand owners and unit owners within the development area.

ADOPTION OF MEMORANDUM OF INCORPORATION

This Memorandum by the Incorporators of the Company is in accordance with section 16(1)(c) read with section 16 (5)(a), and was adopted by special resolution passed on 1 October 2012, in substitution for the existing memorandum of incorporation, as evidenced by the following signatures made by each of the incorporators here below.

<u>Name of Incorporator</u>	<u>Identity or Registration #</u>	<u>Signature</u>	<u>Date</u>
Paul Heinrich Altenroxel	680417 5143 089		A/10/12
Jan Kampherbeek	5609115116082		A/10/12
Morris Pogrud	6007115052085		A/10/12

In this Memorandum of Incorporation:

- (a) a reference to a section by number refers to the corresponding section of the Companies Act, 2008:
- (b) Words that are defined in the Companies Act, 2008 bear the same meaning in this Memorandum as in that Act.

1. Interpretation and Definitions

- 1.1 In these presents the following words shall, unless the context otherwise requires, have the meanings hereinafter assigned to them:
 - 1.1.1 "the Act" means the Companies Act, 2008, as amended;
 - 1.1.2 "the Company" means Aloes Lifestyle Estate Management Association NPC, Reg no 2012/065761/08
 - 1.1.3 "the Association" means Aloes Lifestyle Estate Management Association NPC ("ALEMA");
 - 1.1.4 "ALEMA" means Aloes Lifestyle Estate Management Association NPC
 - 1.1.5 "Association area" means the area controlled by the ALEMA within the development area;

- 1.1.6 "auditors" means the auditors of the Association;
- 1.1.7 "chairman" means the chairman of the Board of Directors of the Association;
- 1.1.8 "council" means Polokwane Local Municipality;
- 1.1.9 "the developer" means Decacel Proprietary Ltd, registration number 2010/013763/07;
- 1.1.10 "the development area" means Bendor Extension 120, Situated at Portion 433 (a Portion of Portion 143) of the farm Tweefontein 915, L.S., Limpopo Province;
- 1.1.11 "the development period" means the period from the establishment of the Association until all of the erven in the development area have been developed, alternatively, until the developer in his sole discretion, notifies the Association in writing that the period has ceased, whichever is the earlier;
- 1.1.12 "directors" means the directors from time to time of the Association;
- 1.1.13 "Association property" means all full title stands and/or units registered in the name of ALEMA including all improvements thereon, including the road erf, community site, gate house of the development area, any access roads, servitudinal rights of access, parks and any other open spaces but excluding the land owned by a separate homeowners Association or land comprising any sectional title scheme, erven zoned Residential, or for any other special purposes;
- 1.1.14 "financial year" means the financial year of the Association which shall run from the 1st day of March each year until the last day of February the subsequent year;

- 1.1.15 **"in writing"** means written, printed or lithographed or partly one and partly another, and other modes of representing or producing words in a visible form;
- 1.1.16 **"homeowners Association"** means a homeowners Association established as a non-profit company in terms of the Act or a voluntary Association established in respect of a group housing scheme within the development area; for example, Macadamia @ the Aloes, Panorama @ the Aloes, The Ridge @ the Aloes, any future home Association .
- 1.1.17 **"member"** means a unit owner, full title stand owner, a body corporate, a portion owner who has agreed to and consented to such membership in writing and holds membership in and specified rights in respect of the Association, as contemplated in item 4 (d) of schedule 1 to the Companies Act 71 of 2008, which makes provision for voting and non- voting members.
- 1.1.18 **"registered owner"** means a registered owner of an erf ,full title stand or a sectional title unit in the development area registered in the relevant Deeds Office;
- 1.1.19 **"the road erf"** means erf 7929 Bendor extension 120;
- 1.1.20 **"body corporate ("STBC")"** means a body corporate established in terms of the Sectional Titles Act 95 of 1986 ("the Sectional Titles Act");
- 1.1.21 **"full title stand"** means a dwelling erf within the development area for a single family, as defined in the relevant Town Planning Scheme, with or without outbuildings, situated on its own erf or subdivision of an erf or portion thereof, tenure of which may be registered in the Land Register of the Deeds Registry and includes the portion on which the dwelling is erected and further includes the erf whether vacant or not;

- 1.1.22 **“full title stand owner”** means the owner of a dwelling erf with in the development area which may be registered in the Land Register of the Deeds Registry.
- 1.1.23 **"scheme"** means a sectional title scheme established in terms of the Sectional Titles Act;
- 1.1.24 **"unit"** means a portion , with or without outbuildings, or where applicable, a sectional title unit in a sectional title scheme, tenure of which has been registered in the Deeds Registry;
- 1.1.25 **"unit owner and/ or sectional title owner "** means the owner of a sectional title unit in the development area and being a member of a Sectional Title Body Corporate "STBC" or homeowners Association, as the case may be.
- 1.1.26 **“vice-chairman"** means the vice-chairman of the Board of Directors.
- 1.1.27 **“writing”** includes electronic communication but as regards any member entitled to vote, only to the extent that such member has notified the Association of an electronic address.
- 1.1.28 **“managing agent”** means any person or body appointed by the Association as an independent contractor to undertake any of the functions of the Association.
- 1.1.29 **“person”** includes a juristic person.
- 1.1.30 **“stabilization fund levy”** means the levy of 0,25% of the gross purchase price of each stand and unit sold in the development area, payable by the purchaser to the Association for the benefit of the Association.
- 1.1.31 **“Resident”** means a person residing on a erf, full title stand, unit or dwelling in the Development area or Estate. Members are responsible for the actions of any person

visiting or residing on their property including but not limited to contractors; tenants; visitors and deliveries.

- 1.2 Unless the context otherwise requires, any words importing the singular number shall also include the plural number, and vice versa and words importing any one gender shall include the other two genders.
- 1.3 Subject as aforesaid, any words or expressions defined in the Act or in the Sectional Titles Act or in any statutory modifications of such Acts in force at the date on which these presents become binding on the Association shall, if not inconsistent with the subject or context, bear the same meaning in these presents.
- 1.4 All references to "sections" in this MOI referre to the sections of the Companies Act unless the context indicates otherwise;
- 1.5 Words in the singular number shall include the plural and words in the plural number shall include the singular, words importing the masculine gender shall include female gender, and words importing natural persons, shall include juristic persons, corporate entities and bodies corporate.
- 1.6 Notwithstanding the omission from this Memorandum, of any provision to that effect, the Association may do anything which the Companies Act empowers the Association to do if so authorised by its Memorandum of Incorporation.
- 1.7 the headings of for reference purposes only and shall not affect the interpretation of this MOI;

2. **Objects**

The main object of the Association shall be to act as an estate management Association incorporated as a non-profit company as defined and modified by section 10(1) aswell as the exclusions defined in Section 10(2) and schedule 1 of the Companies Act 71 of 2008 ,for the township in the development area and generally:

- 2.1 to take transfer of such stands that are to be owned by the Association for the benefit of its members and unit owners;
- 2.2 to enter into agreements of servitudes for and on behalf of its members and unit owners;
- 2.3 to enter into any agreements for the provision of any services with any competent authority or third party, including the provision of access to the townships, water, electricity and sewerage services to the Association and where required to supply such services to the members of the Association;
- 2.4 to maintain, repair, improve and keep in good order and condition the Association property, to pay rates and taxes, service charges, other taxes, levies, wages and any other general expenses necessarily and reasonably incurred in connection with the management of the Association, the Association's affairs and those incurred in furtherance of the objects of the Association;
- 2.5 to impose levies on the members for the purpose of meeting the expenses incurred or to which the directors reasonably anticipate the Association will incur in furtherance of the objects of the Association; and
- 2.6 generally to promote, advance and protect the communal interests of the members of the Association and unit owners within the development area.
- 2.7 to ensure acceptable aesthetic appearance of the land and buildings, architectural, environmental, security standards and incidental matters, in the development area, including in particular:
 - 2.7.1 to ensure that any portions and any schemes , other member Home Owners Associations and full title stands and units in the development area are developed according to uniform aesthetic and architectural standards and that those standards are maintained thereafter;
 - 2.7.2 to take ownership of and to control and maintain any private access roadways, the road erf and private open spaces within the development area;

- 2.7.3 to maintain any entrance to the Association area including any landscaping within the Association area if deemed necessary, parking areas and the perimeter fence or wall and any common areas in the Association area;
- 2.7.4 to institute, control and pay for measures to provide security in the Association area; and
- 2.8 to make house and conduct rules in order to promote generally the communal interests of its members and thereafter add to, vary, alter or retract behavioural or other rules and regulations for the administration and control of full title stands and units and the behaviour of owners and occupants and residents thereof in the development area and of the movement of pedestrian and vehicular traffic in the development area as well as the use of roadways and open spaces in the development area, and the keeping and control of pets; and to enforce the said rules;
- 2.9 To set up and administer a stabilization fund by recovering a levy for the benefit of ALEMA in terms of which 0, 25% (comma two five percent) of the gross purchase price of all full title stands and sectional title stands sold, or in the case of exchange or donation thereof, 0, 25% (comma two five percent) calculated on the market value (as determined by a registered valuator) , which materialize in the development area (other than from the developer), is collected from the purchaser or donee for the benefit of the stabilization fund, which fund shall be utilised for the sole benefit of the members of ALEMA, which benefit shall include and not be limited to the creating a fund with a view to providing the means (or part thereof) of replacing any part of the engineering services in the development area and/or undertaking work of a capital nature in or in connection with the development area.
- 2.10 In the case of the sale of majority shareholding or Members interest in the event of the Member being a Company or, Closed Corporation ,this will be considered as a resale and the 0,25% resale levy calculated on the market value as set out in 2.9 will be payable .

3. **Powers**

The Association has plenary powers (including all those normally enjoyed by a registered company) to enable it to achieve its objects, except only for the powers expressly or impliedly excluded by this memorandum or by the Association's legal status as a common law corporate body.

4. **Membership**

4.1 Membership of the Association shall be limited to the developer in its capacity as such and represented by not more than six (6) nominees, and all home owners associations, full title stand owners, body corporate(STBC) and unit owners, in the development area. In terms of the act, this MOI provides for two classes of members, voting and non-voting members respectively;

4.2 It is recorded that;

4.2.1 Home Owners Associations shall have voting rights at the Association meetings;

4.2.2 full title stand owners, , body corporate(STBC), sectional title unit owners shall have no voting rights at the Association meetings, as they are to be represented by their elected representatives of their respective Home Owners Associations, who do have voting rights at the Association meetings in terms of this MOI;

4.2.3 full title stand owners, , body corporate(STBC), sectional title unit owners do however have the right to attend Association meetings as an observer;

4.3 Where any unit or full title stand is owned by more than one person, all the registered owners of that unit or full title stand shall together be deemed to be one member of the Association and have the rights and obligations of

one member of the Association as provided for in terms of this MOI; provided however that all co-owners of any unit and or full title stand shall be jointly and severally liable for the due performance of any obligation to the Association. Similarly where a legal entity or trust defined as a member has one or more representatives, the representatives are seen collectively as one member.

- 4.4 Prior to becoming the registered owner of a unit or full title stand as the case maybe a person/juristic person shall be entitled, on written application to the Association, to become a member of the Association with effect from the date of registration of transfer of the unit into his name, and when he ceases to be the owner of the unit or full title stand, he shall ipso facto cease to be a member of the Association.
- 4.5 No transfer of a unit and or full title stand may be effected until the Association has confirmed in writing that the transferee has bound itself to the satisfaction of the Association to become a member of the Association.
- 4.6 No member shall let or otherwise part with occupation of his unit or full title stand, whether temporarily, or otherwise, unless he has brought to the proposed purchaser or occupier of such property's attention, as a condition for the benefit of and in favour of the Association, that such purchaser or occupier shall be bound by all the terms and conditions of this memorandum and the conduct rules of the Association from time to time. The Member is responsible for the actions or inaction of the resident while they occupy the full title stand or unit, and must pay any fines or penalties that may result from their occupation, even if the resident has not signed a contract.
- 4.7 No member may rezone, or if applicable permit a rezoning of, a unit or full title stand or in any way change the use for which it may be utilised whether by way of rezoning or a consent use or otherwise save with the prior written consent of the directors who shall have complete discretion in this regard irrespective of whether such consent is granted by any lawful authority. Further, no member may subdivide or consolidate, or if applicable permit the consolidation or subdivision of, a unit without the prior written consent of the directors, which consent shall be in the sole discretion of the said

directors irrespective of whether any lawful authority grants permission for such subdivision or consolidation.

4.8 A registered owner of a unit or full title stand may not resign as a member of the Association.

4.9 The rights and obligations of a member shall not be transferable and every member shall:

4.9.1 further to the best of his ability the objects and interests of the Association;

4.9.2 observe all rules made by the Association or the directors;

4.9.3 sign all documents and do all things necessary to enable whatever servitudes may be required for services to be registered whether over or in favour of any access erf or any other erf in the Association area and including the provision of security facilities ;

provided that, nothing contained in this memorandum of incorporation shall prevent a member from ceding, his rights in terms of this memorandum of incorporation as security to the mortgagee of that member's stand or unit.

4.10 The co-owners or representatives of a full title stand or unit are jointly and severally liable for the performance of any obligation to the Association.

4.11 All Members must pay levies to the Association and must obey the rules of the Association.

4.12 Any obligation, known or unknown that a Member may have had to the Association while he was a Member will be enforceable after termination of his Membership. The converse will not apply.

4.13 Members must at all times further the objects and interests of the Association to the best of their ability; and must obey the rules of the Association made by the Board in terms of this Agreement.

4.14 Members in good standing have the right to use all common Property owned or leased by the Association, and are entitled to enjoy all other privileges offered by the Association in terms of this agreement.

4.15 A Member shall include the trustee in an insolvent Estate, a liquidator or the trustee elected in terms of the Agricultural Credit Act, 28 of 1966, the liquidator of a Company or Close Corporation which is a Member, the executor of the Estate of a Member who has died, or a representative of a Member, recognised by law of a Member who is a minor or of unsound mind or is under disability if such trustee, liquidator, executor or representative is acting within the scope of his authority

4.16 A Member shall not sell or otherwise agree to alienate any full title stand or unit of which it is the registered owner, unless it is a condition of such agreement that:

4.16.1 the person to whom the full title stand or unit is to be sold or otherwise to be alienated ("the transferee"), has bound himself, to the satisfaction of the Association, to become a Member of the Association upon transfer of such full title stand or unit to him; and that

4.16.2 the registration of transfer of the full title stand or unit to the transferee shall *ipso facto* constitute the introduction of the transferee as a Member of the Association *mutatis mutandis*.

5. Levies

5.1 The directors may from time to time impose levies upon the members for the purpose of meeting all the expenses which the Association has incurred, or to which the directors reasonably anticipate the Association will incur in the attainment of its objects or the pursuit of its business.

5.2 The directors shall not less than 30 (thirty) days prior to the end of each financial year, or so soon thereafter as is reasonably possible, prepare and serve upon every member at the address chosen by it, an estimate in reasonable detail of the amount which shall be required by the Association

to meet the expenses during the following financial year, and shall specify separately such estimated deficiency, if any, as shall result from the preceding year. The directors may include in such estimate an amount to be held in reserve to meet anticipated expenditure not of an annual nature.

- 5.3 Each notice to each member shall specify the contribution payable by that member to such expenses and reserve fund that is payable by that member.
- 5.4 Every such annual levy shall be payable in equal monthly instalments, due in advance on the first day of each and every month of each financial year. The Member will sign a debit order authorisation for the Association to obtain payment directly from his/her bank.
- 5.5 In the event of the directors for any reason whatsoever failing to prepare and serve the estimate referred to in 5.2 timeously, every member shall until service of such estimate as aforesaid continue to pay the levy previously imposed and shall after such service pay such levy as may be specified in the notice referred to in 5.2.
- 5.6 The directors may from time to time impose special levies upon the members in respect of all such expenses as are mentioned in 5.1 and 5.2, which are not included in any estimate made in terms of 5.2, and may in imposing such levies determine the terms of payment thereof. The Directors must give notice of their intention to impose a special levy, at least ten days before its imposition on the Members. The notice must specify the reason for the special levy, the amount and the breakdown of the calculations in terms of which the amount was reached.
- 5.7 The directors shall be empowered in addition to such other rights as the Association may have in law as against its members to determine the rate of interest from time to time chargeable upon arrear levies, provided that such rate of interest shall not exceed the maximum prescribed rate.
- 5.8 Any amount due by a member by way of levy and interest shall be a debt due by him to the Association. Notwithstanding that a member ceases to be such the Association shall have the right to recover arrear levies and interest from him. No levies or interest paid by a member shall under any

circumstances be repayable by the Association upon his ceasing to be a member. Further, a member on ceasing to be such shall have no claims whatsoever on any other monies held by the Association whether obtained by way of a sale of Association assets or otherwise. A member's successor in title to a unit shall be liable as from the date upon which he becomes a member pursuant to the transfer of that unit, to pay the levy and interest thereon attributable to that unit.

5.9 The directors may at their sole discretion enter into an agreement with and appoint a specific home owners Association which is the member of ALEMA to act as an agent to collect all levies from the members of that specific Home Owners Association on behalf of ALEMA and pay such levies over to ALEMA as agreed with the Board of that specific Home owners Association.

5.9.1 Members as defined in 1.1.17 shall notwithstanding such arrangement, continue to be ultimately liable for the levies that are due and payable to ALEMA in terms of this MOI.

5.10 In calculating the levy payable by any member, the directors shall as far as reasonably practical:

5.10.1 assign those costs arising directly in relation to a full title stand to the registered owner thereof ;

5.10.2 assign those costs arising in relation to a unit to the registered owner thereof;

5.10.3 assign those costs arising directly in relation to any body corporate to that body corporate;

5.10.4 assign those costs relating to the Association area generally to a particular member to that member.

5.11 The costs assigned to members in terms of clause 5.10 here above, shall be calculated and allocated on the basis that all members (as defined in clause 1.17 hereabove, be liable to the Association in equal shares, provided, however, the directors may in any case where they consider it

equitable to do so, assign to any members any greater or lesser share of the costs as may be reasonable in the circumstances.

- 5.12 The developer shall in respect of all serviced erven or stands in the development area during the development period and not yet transferred to a person other than the developer, be liable to pay 20 (twenty) % percent of the amount of the levies imposed on members of the Association, provided that the directors shall be entitled to agree with the developer to accept payment of a capital sum or other services to the Association, in lieu of the payment of levies by the developer.
- 5.13 No levies shall be paid by the developer on stands for which no section 82 certificates (unserviced stands) has been issued by the municipality.
- 5.14 The directors shall set up and administer a stabilization fund by recovering a levy for the benefit of ALEMA in terms of which 0, 25% (comma two five percent) of the gross purchase price of all full title stands and sectional title stands sold, or in the case of exchange or donation thereof, 0, 25% (comma two five percent) calculated on the market value (as determined by a registered valuator) , which materialize in the development area (other than from the developer), is collected from the purchaser or donee for the benefit of the stabilization fund, which fund shall be utilised for the sole benefit of the members of ALEMA ,which benefit shall include and not be limited to the creating of a fund with a view to providing the means (or part thereof) of replacing any part of the engineering services in the development area and/or undertaking work of a capital nature in or in connection with the development area..

6. Rules

- 6.1 Subject to any restriction imposed or direction given at a general meeting of the Association, the directors may from time to time make rules in regard to:
- 6.1.1 the standard and guidelines for the architectural design of all buildings and outbuildings, structures of any nature and any additions and alterations to any such buildings, outbuildings or structures erected or to be erected in the

- development area, and in particular to control the design of the exterior of such buildings, outbuildings or structures and the materials and colours used on such exterior to ensure an attractive, aesthetically pleasing character to all the buildings in the development area;
- 6.1.2 the siting of buildings, building yards, outbuildings, structures of any nature and of any additions and alterations thereto;
- 6.1.3 the standards and guidelines for the design of all site works, buildings, structures, installations, projections and parking areas on the properties in the Association area, including aeriels, pergolas, sidewalks, swimming pools, tennis courts, awnings, jacuzzis, carports and paved pathways;
- 6.1.4 the preservation of the environment including the right to control and to require the cultivation of trees and other vegetation and the right to control the design, erection, placement, materials and construction of fences and/or walls, whether upon or within the boundaries of any unit, including the right to prohibit fences and/or walls in any garden area or around any unit;
- 6.1.5 the placing or fixing of ornamentation or embellishments upon the outside of buildings including the power to remove any such objects;
- 6.1.6 the conduct of any persons within the Association area, be it members, their families, lessees, visitors, guests, occupants of their dwellings, contractors, employees and friends in order to ensure the security and safety of the full title stands and units, property and all persons thereon and for the prevention of nuisance of any nature to any member;
- 6.1.7 the design, dimensions, location and number of advertising and other signs on any unit in the Association area

- 6.1.8 the right to determine and control all security measures in the Association area;
 - 6.1.9 the right to determine access to and egress from the Association area and to and from the units or any other area in the Association area;
 - 6.1.10 for the furtherance and promotion of any of the objects of the Association and/or for the better management of the affairs of the Association and/or for the advancement of the interests of members and/or residents in the Association area.
 - 6.1.11 Accreditation of building contractors, the standards and guidelines for conduct of such building contractors who undertake construction in the development area of the Association.
 - 6.1.12 Notwithstanding the aforementioned the Directors, may not effect any changes which materially change the intention or application of the rules without a resolution at either a special or general meeting of Members. This article particularly relates to the Building Design Guidelines and Standards in 6.1.1 above.
- 6.2 For the enforcement of any of the rules made by the directors in terms hereof, the directors may:
- 6.2.1 give notice to the member and or building contractor of the owner concerned requiring him to remedy such breach within such reasonable period as the directors may determine;
 - 6.2.2 take or cause to be taken such steps as they may consider necessary to remedy the breach of the rule of which the member/building contractor may be guilty, and debit the cost of so doing to the member /building contractor

concerned, which amount shall be deemed to be a debt owing by the member concerned to the Association; and/or

6.2.3 impose a system of fines or other penalties as provided for in clause 6.3 hereunder; and/or

6.2.4 take such other action at their discretion including a reference to arbitration in terms of clause 25 or proceedings in Court, as they may deem fit and defend any action taken by any member or any other person in terms of arbitration or proceedings in Court.

6.3 If a Member or Resident or any person for whom a Member or Resident is responsible, has broken the Rules of the Association, the Directors may in their discretion:-

6.3.1 give notice to the Member or Resident concerned which requires him to rectify the breach or make payment of any amount claimed by the Association, within such reasonable period as the Directors may decide; and/or

6.3.2 take or cause to be taken any steps as may be considered necessary to rectify the breach of the rule that the Member or Resident may be guilty of breaching, or recover the debt, and recover any costs of doing so from the Member or Resident concerned, which amount shall be deemed, without the necessity of taxation or debate, to be a debt owing by the Member.

6.3.3 enter the Member's Property to take any steps necessary to remedy the breach; and/or

6.3.4 impose a system of fines or other penalties, and/or

6.3.5 take such other steps including proceedings in Court, as they deem necessary.

- 6.4 The Association may sue its Members to recover fines.
- 6.5 If a Member files a complaint and or disputes a fine, the Member should notify the Directors in writing, within a reasonable after the incident or the period of receiving notice of the fine. For this clause, notice by a Member must be given at the Association office and must be signed for.
- 6.6 The Board of Directors must appoint a complaints committee consisting of not less than three (3) Members or directors to examine the Member's complaint or dispute of the fine and to decide by whatever procedure, incorporating the rules of natural justice, as they may see fit, in respect of the complaint and or whether or not the fine should be imposed, or any other steps that should be taken.
- 6.7 If possible, the decision of the complaints committee must be made within fourteen (14) days of receipt of the Members' notice of dispute or complaint.
- 6.8 In the event of the directors consulting an attorney, taking legal advice and instituting any legal proceedings by arbitration or in Court against any member or resident within the Association area for the enforcement of any of the rights of the Association in terms hereof, the Association shall be entitled to recover all legal costs so incurred from the member or tenant concerned, calculated as between attorney and own client including collection commission and tracing agent's fees.
- 6.9 In the event of any breach of the rules of this memorandum of incorporation by a member, his staff, clients, invitees, guests or lessees, such breach shall be deemed to have been committed by the member himself, but without prejudice to the foregoing, the directors may take or cause to be taken such steps against the person actually committing the breach as they in their discretion may deem fit.
- 6.10 In the event of any member disputing the fact that he has committed a breach of any of the rules, such dispute shall be resolved on the basis as set out above. The decision of the directors regarding such dispute shall prevail.

- 6.11 Any fine imposed upon any member shall be deemed to be a debt due by the member to the Association and shall be recoverable at the option of the directors in terms of clause 25 or by ordinary civil process.
- 6.12 Notwithstanding anything to the contrary herein contained, the directors may in their discretion in the name of the Association enforce the provisions of any rules, either by way of arbitration in terms of clause 25, or by civil application or action in a court of competent jurisdiction and for this purpose may appoint such attorneys and counsel as they may deem fit.
- 6.13 The Association may in general meeting itself make any rules which the directors may make and may in general meeting vary or modify any rules made by it or by the directors from time to time.
- 6.14 If the Directors pass a resolution to include, amend or delete ("change") a rule or fine, they must deliver notice of the inclusion, amendment or deletion of the rule or fine to the Members of the Association.
- 6.15 Any change to the Rules becomes effective on the date specified in the notice, which may not be less than seven (7) days after notice of the change was delivered to Members.
- 6.16 The Directors shall be indemnified by the Members in respect of any action performed in proper pursuit of the rules.

7. Directors

- 7.1 There shall be a Board of Directors of the Association which shall consist of a minimum of 4 (four) directors and not more than 9 (nine) directors consisting of 3 (three) directors appointed by the developer and 1(one) director of each respective active Home Owners Association which is a member of the Association (ALEMA). Any failure by the company at any time to have the minimum number of directors, does not limit or negate the authority of the board, or invalidate anything done by the board of the company.
- 7.2 A director shall be an individual but need not himself or herself be a member of the Association. A director, however, by accepting his

appointment to office as such, shall be deemed to have agreed to be bound by all the provisions of the terms and conditions of this MOI.

7.3 During the development period, the majority of directors shall be appointed by the developer. All other directors not appointed by the developer are to be appointed to office and shall be elected by the members in general meeting of the Association, the developer exercising the voting rights in clause 20 of this MOI. The first directors shall on formation of the Association be appointed by the developer.

7.4 Members of the Association shall be entitled to elect their respective director to represent them as a Director on the Board of the Association (ALEMA) each year.

7.5 Each incorporator of the company is a director of the company from incorporation and shall serve until at least the minimum number of directors has been elected by the persons entitled to elect directors. If the number is less than the minimum number referred to in clause 7.1, the board must call a members meeting for the purpose of electing sufficient directors to fill all vacancies on the board at the time of the election.

8. Removal and rotation of directors

8.1 Save as set out in clause 8.3, and save for the directors appointed by the developer in terms of 7.3, each director shall continue to hold office from the date of his appointment until the Annual General Meeting next following his appointment, at which meeting each director shall be deemed to have retired from office but will be eligible for re-election to the Board of Directors at such meeting.

8.2 A director shall be deemed to have vacated his office upon:

8.2.1 his having become disqualified to act as a director in terms of the provisions of the act;

8.2.2 his being removed from office as provided in section 69 of the act;

8.2.3 in the event of his being a member of the Association, his being disentitled to exercise a vote in terms of clause 20.2 below.

8.3 Upon any vacancy occurring in the Board of Directors prior to the next annual general meeting, the vacancy in question shall be filled by a person nominated by those remaining for the time being of the Board of Directors, provided, however, that, if the director who vacates his office as aforesaid was a nominee of the developer, the developer shall be entitled to nominate a director in his stead.

8.4 If the development area reaches a point where the developer is the registered owner of less than 10 (ten) % of the erven or stands, the directors appointed by the developer shall resign from the board of directors at the next AGM. The resigning directors shall however be eligible for re-election.

9. **Chairman and vice-chairman**

9.1 The directors shall within 14 (fourteen) days after each annual general meeting appoint from their number a chairman and vice-chairman, who shall hold their respective offices until the next annual general meeting, provided that the office of chairman or vice-chairman shall *ipso facto* be vacated by a director holding such office upon his ceasing to be a director for any reason. No one director shall be appointed to more than one of the aforesaid offices. In the event of any vacancy occurring in either of the aforesaid offices at any time, the Board of Directors shall immediately appoint one of their number as a replacement in such office. During the initial period the chairman shall be elected from one of the nominees of the developer.

9.2 Except as otherwise provided, the chairman shall preside at all meetings of the directors and at all general meetings of members and, in the event of his not being present within 30 (thirty) minutes of the scheduled time for the start of the meeting or in the event of his inability or unwillingness to act, the vice-chairman shall act in his stead, or failing the vice-chairman, a chairman appointed by the meeting.

10. Directors' expenses

- 10.1 Directors shall be entitled to recover all reasonable and bona fide expenses incurred by them respectively in or about the performance of their duties as directors. Save as aforesaid, and unless determined otherwise by a resolution of members, and subject to section 66(8) and 66(9) of the act, the directors shall not be entitled to any remuneration for the performance of their duties in terms hereof.
- 10.2 The payment of insurance premiums by the Association for insurance taken out by the Association on behalf of the directors in respect of their appointments and duties to the Association as such shall not be regarded as director's remuneration.
- 10.3 The Directors may pay any Director who serves on any Committee or who devotes special attention to the business of the Company, or otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, such extra remuneration as they may determine and subject to the provisions of Section 66(8) and Section 66(9) of the act.

11. Powers of directors

- 11.1 Subject to the express provisions of these presents, the directors shall manage and control the business and affairs of the Association, shall have full powers in the management and direction of such business and affairs including the right of appointment and dismissal of the managing agent, may exercise all such powers of the Association and do all such acts on behalf of the Association as may be exercised and done by the Association and as are not by the Act or by these presents required to be exercised or done by the Association in general meeting, subject however, to such rules as may have been made by the Association in general meeting or as may be made by the directors from time to time.
- 11.2 Save as specifically provided in these presents, the directors shall at all times have the right to engage on behalf of the Association the services of accountants, auditors, attorneys, advocates, architects, engineers, a

managing agent and any other professional firm or person or other employees whatsoever for any reasons deemed necessary by the directors and on such terms as the directors shall decide.

- 11.3 The directors shall further have power:
- 11.3.1 to require the submission for pre- approval of, in the case of a homeowners Association - memorandum of incorporation, constitutions and rules and in the case of STBC - the rules;
 - 11.3.2 to require that any works being constructed within the development area shall be supervised to ensure that the provisions of these presents and the rules are complied with and that all work is performed in a proper and workmanlike manner;
 - 11.3.3 to determine the access to the development area and to the units in the development area;
 - 11.3.4 to determine the security facilities to be installed and the operation thereof for the protection of the members, unit owners, residents and visitors in the development area;
 - 11.3.5 to make rules as provided for in clause 6.
- 11.4 The Board of Directors shall have the right to co-opt onto the board any person or persons chosen by it. A co-opted director need not necessarily be a member of the Association. A co-opted director shall hold office until the next annual general meeting after his co-option when he shall retire but shall be eligible for election as a director, or in the event of his not being elected shall again be eligible for co-option by the Board of Directors.
- 11.5 The directors shall be entitled to appoint committees consisting of such number of their members and such outsiders, including the managing agent, as they may deem fit and to delegate to such committees such of their functions, powers and duties as they may deem fit, with further power to vary or revoke such appointments and delegations as the directors may from time to time deem necessary.

- 11.6 The directors shall appoint an architectural review committee which shall consist of not less than 1 (one) director and/or such other members as the directors may determine.

12. Disqualification of directors

- 12.1 A Director must vacate his office as a Director of the Association if he:
- 12.1.1 profits by his office or has an interest in any contract with the Association without the consent of the Board;
 - 12.1.2 becomes of unsound mind;
 - 12.1.3 is provisionally or finally sequestrated; or
- 12.2 A Director who has, or will have, any direct or indirect, interest in any contract with the Association must disclose his interest.
- 12.3 The Board of Directors may not enter into a contract in which one of their number has a financial interest, unless 75% of the Board approves the arrangement, excluding the Director holding the interest, who may not vote.
- 12.4 The Directors must disclose the nature of the contract or interest held by the Director, at the next Annual General Meeting.

13. Proceedings of directors

- 13.1 The directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit, subject to any provisions of these presents.
- 13.2 The quorum necessary for the holding of any meetings of the directors shall be a majority present personally; provided however that, during the development period, the presence of at least 1 (one) nominee of the developer shall be necessary at all meetings of directors in order to form a quorum. Any resolution of the Board of Directors shall be carried on a simple majority of all votes cast; provided that the developer shall have a veto vote.

- 13.3 The directors shall cause minutes to be kept of every director's meeting, which minutes shall, without undue delay after the meeting has closed, be reduced to writing and certified correct by the chairman. All minutes of directors' meeting shall, after certification, be placed in a director's minute book to be kept in accordance with the provisions of the law relating to the keeping of minutes of meetings of directors of companies. The directors' minute book shall be open for inspection at all reasonable times by any director, the auditors, the members and the managing agent.
- 13.4 Save as provided in these presents, the proceedings of any directors' meeting shall be conducted in such reasonable manner and form as the chairman of the meeting shall decide.
- 13.5 A resolution signed by all the directors shall be valid in all respects as if it had been duly passed at a meeting of the board of Directors.

14. General meetings of the Association

- 14.1 The Association shall within 9 (nine) months after the end of each financial year hold a general meeting as its annual general meeting in addition to any other general meetings during that year, and shall specify the meeting as such in the notices in terms of clause 15 calling it.
- 14.2 Such annual general meeting shall be held at such time and place as the directors shall decide from time to time.
- 14.3 All general meetings other than annual general meetings shall be called extraordinary general meetings.
- 14.4 The directors may, whenever they think fit, convene an extraordinary general meeting, and an extraordinary general meeting shall also be convened on a demand made in terms of the Act, provided that each such demand specifies the purpose for which the meeting is proposed and that the percentage of voting rights required to demand such a meeting shall be 20%, (twenty percent) subject to the further provisions of that section.

15. Notices of meetings

- 15.1 A meeting of the Association shall be called on at least 15 business days' notice in writing. In each case the notice shall specify the place, the day and the hour of the meeting and the general purpose of the meeting or the specific purpose if called as provided for in 14.4.
- 15.2 A proposed resolution shall be expressed with sufficient clarity and specificity and shall be accompanied by sufficient information or explanatory material to enable a member who is entitled to vote on the resolution to determine whether to participate in the meeting and to seek to influence the outcome of the vote on the resolution and shall be given in the manner prescribed by section 62 of the act or hereinafter mentioned or in such other manner, if any, as may be prescribed by the directors to such persons as are under these presents entitled to receive such notices from the Association.
- 15.3 A general meeting of the Association shall, notwithstanding that it is called by shorter notice than that specified in these presents, be deemed to have been duly called if every person entitled to exercise voting rights in respect of any item on the agenda of the meeting is present at the meeting and votes to waive the required minimum notice of the meeting. In the case of a material defect in the manner and form of giving notice, the defect may be ratified if every person entitled to exercise voting rights in respect of any item on the agenda of the meeting is present at the meeting and votes to approve the ratification of the defective notice.
- 15.4 The accidental omission to give notice of a meeting or of any resolution, or to give any other notification, or present any document required to be given or sent in terms of these presents, or in terms of the Act, or the non-receipt of any such notice, notification or document by any member or other person entitled to receive the same, shall not invalidate the proceedings at, or any resolution passed at, any meeting.

16. Quorum

- 16.1 No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business.
- 16.2 During the development period, the quorum necessary for the holding of any meeting shall be one or more nominees present to represent the votes of the developer, and 25% (twenty five percent) of votes in number from all other voting members of the Association entitled to vote for the time being, provided that at least three members are present in person at the commencement of and for the duration of such general meeting.
- 16.3 After the conclusion of the development period, the quorum shall be such of the members entitled to vote (voting members) representing the votes of 25% (twenty five percent) in number of all members entitled to vote for the time being, provided that at least three members are present in person at the commencement of and for the duration of such general meeting. Proxies shall be included in the determination of a quorum
- 16.4 If within half an hour from the time appointed for the holding of a general meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week at the same place and time or at such other place as the chairman of the meeting shall appoint. If at the adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, the members present shall be a quorum.

17. Agenda at meetings

- 17.1 In addition to any other matters required by the Act or these presents to be dealt with at an annual general meeting, the following matters shall be dealt with at every annual general meeting:
 - 17.1.1 the business prescribed by the Act, especially in respect of an AGM
 - 17.1.2 the consideration of the chairman's report;
 - 17.1.3 the election of directors;

- 17.1.4 the consideration of any other matters raised at the meeting including any resolutions proposed for adoption by such meeting, and the voting upon such resolutions;
 - 17.1.5 the consideration of the accounts of the Association for the preceding financial year;
 - 17.1.6 the consideration of the report of the auditors, the fixing of remuneration for the auditors and the appointment of the auditor.
- 17.2 No business shall be dealt with at any general meeting unless written notice has been given to the directors not less than 2 (two) days before such meeting by the person proposing to raise such business of his intention so to do; provided however, that the chairman may on ordinary resolution of the meeting relax this condition.

18. Procedure at general meetings

- 18.1 Before any person may attend and or participate in a meeting of the Association, that person must present reasonably satisfactory identification and the chairman of the meeting must be reasonably satisfied that the person has the right to attend and participate in the meeting and whether the person is entitled to vote as a voting member as contemplated in Section 4 (d) of Schedule 1 of the Act.
- 18.2 No provision is made for participation by Electronic Communication in any meeting of the Company. Members must be present in person or by proxy to participate.
- 18.3 The chairman may, with the consent of any general meeting at which a quorum is present and shall if so directed by the meeting, adjourn a meeting from time to time and place to place. No business shall be transacted at any adjourned meeting other than business which could have been transacted at the meeting from which the adjournment took place. Whenever a meeting is adjourned for 10 (ten) days or more, notice of the adjourned meeting shall be given in the same manner as of an original meeting. Save as aforesaid,

the members shall not be entitled to any notice of adjournment or of the business to be transacted at an adjourned meeting

- 18.4 All resolutions taken at a general meeting are subject to a veto right of the Developer, provided that such veto right shall lapse when the developers votes represent less than 10(ten)% of the votes at a general meeting

19. Proxies

- 19.1 A member who is eligible to vote , may be represented at a general meeting by a proxy, who need not be a member of the Association. The instrument appointing a proxy shall be in writing signed by the member concerned or his agent, duly authorised in writing, but need not be in any particular form provided that, where a member is more than 1(one) person, a majority of those persons shall sign the instrument appointing a proxy on such member's behalf.
- 19.2 The instrument appointing a proxy and the power of attorney or any other authority under which it is signed shall be tabled at the meeting at which the person named in the instrument proposes to vote. No instrument appointing a proxy shall be valid after the expiration of 12 (twelve) months from the date of its execution.
- 19.3 The proxy instrument or other authority appointing a proxy must be delivered to the Association, no later than close of business forty eight (48) hours before the meeting is scheduled to take place, or at such place or within such time as the Board may from time to time direct and unless such instrument or authority is so deposited, such proxy shall not be entitled to attend and/or vote at the meeting.
- 19.4 A vote given in accordance with the terms of a proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy; provided that no intimation in writing of the death or revocation had been received by the directors at any time before a vote is taken in respect of which the proxy exercises such vote.

- 19.5 The Chairman of the meeting may however at his/her discretion accept late proxies or proxies delivered at the meeting subject to the proxy being compliant with the aforementioned clause 19..

20. Voting

- 20.1 It is recorded in terms of this MOI, that at an Association general meeting (ALEMA);

20.1.1 The Developer and Home Owners Associations shall have voting rights at the Association meetings;

20.1.2 Full title stand owners, body corporates(STBC) and sectional title owners shall have no voting rights at the Association meetings, as they are to be represented by their elected representative of the respective Home Owners Associations, who do have voting rights at the Association meetings. They will however have the right to attend as a non-voting member and observe the proceedings should they so wish.

- 20.2 Every voting member eligible to vote in terms of clause 20.1.1 shall in person or by proxy be entitled to vote on behalf of the members identified in clause 20.1.2 and shall have the following voting rights;

20.2.1 The developer shall have one vote in respect of every full title stand and sectional title unit registered in its name in the development area;

20.2.2 Every Homeowners Association within the development area shall have one (1) vote in respect of each full title stand, as well as one (1) vote in respect of each body corporate, as well as one (1) vote in respect of each sectional title unit that falls within that particular Association area of that Home Owners Association.

- 20.3 Save as expressly provided for in these presents,
- 20.3.1 Members as defined in clause 20.1.1, who are not duly registered and/or are under suspension and/ or who shall not have paid every levy and other sum, if any, which is due and payable to the Association arising out of his/her membership of the Association, shall not be entitled to be present at a meeting of the Association as an observer.
- 20.3.2 Every voting member eligible to vote in terms of clause 20.1.1 and representing those members identified in clause 20.1.2, shall not be entitled to exercise the specific vote as granted in terms of clause 20.2.2, on any question, either personally or by proxy, at any general meeting on behalf of those specific members(as identified in clause 20.1.2), if the specific members are not duly registered and/or are under suspension or who shall not have paid every levy and other sum, if any, which is due and payable to the Association arising out of his/her membership of the Association
- 20.4 At any general meeting of the Association ,a resolution put to the vote of the meeting shall be decided on a show of hands by those eligible to vote , unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman or members entitled to vote, and, unless a poll is so demanded, a declaration by the chairman that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or negatived, and an entry to that effect in the book containing the minutes of the proceedings of the Association, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution. The demand for a poll may be withdrawn.
- 20.5 If a poll is duly demanded it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the

meeting at which the poll was demanded. Scrutineers shall be elected to determine the result of the poll. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place, or at which the poll is demanded, shall be entitled to a second or casting vote.

- 20.6 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs. The demand for a poll shall not prevent the continuation of a meeting for the transaction of any business other than the question upon which the poll has been demanded.
- 20.7 Every resolution and every amended resolution proposed for adoption by a general meeting shall be seconded at the meeting and, if not so seconded, shall be deemed not to have been proposed.
- 20.8 An ordinary resolution (that is a resolution other than a special resolution) or the amendment of an ordinary resolution shall be carried on a simple majority of all votes cast. In the case of equality of votes for and against any resolution, the resolution shall be deemed to have been defeated.
- 20.9 A special resolution shall be carried on a majority of 75% of all votes cast. In the case of a majority of votes not being achieved, the resolution shall be deemed to have been defeated.
- 20.10 Unless any member present in person or by proxy at a general meeting shall, before the closure of the meeting, have objected to any declaration made by the chairman of the meeting as to the result of any voting at the meeting, whether by show of hands or otherwise, or to the propriety or validity of the procedure at such meeting, such declaration by the chairman shall be deemed to be a true and correct statement of the voting, and the meeting shall in all respects be deemed to have been properly and validly constituted and conducted. An entry in the minutes to the effect that any motion has been carried or lost, with or without a record of the number of votes recorded in favour of or against such motion, shall be conclusive evidence of the votes so recorded.

20.11 Provided that a resolution that could be voted on at an extraordinary meeting may instead be:

20.11.1 submitted for consideration to the members entitled to exercise voting rights in relation to the resolution; and

20.11.2 voted on in writing by members entitled to exercise voting rights in relation to the resolution within 20 (Twenty) business days after the resolution was submitted to them.

20.11.3 a resolution contemplated in subsection 20 (10):

20.11.3.1 will have been adopted if it is supported by members entitled to exercise sufficient voting rights for it to have been adopted as an ordinary or special resolution, as the case may be, at a properly constituted members meeting; and

20.11.3.2 if adopted, has the same effect as if it had been approved by voting at a meeting.

20.11.3.3 an election of a director that could be conducted at a general meeting may instead be conducted by written polling of all of the members entitled to exercise voting rights in relation to the election of that director.

20.11.3.4 within 10 business days after adopting a resolution, or conducting an election of directors, in terms of this section, the Association shall deliver a statement describing the results of the vote, consent process, or election to every member who was entitled to vote on or consent to the resolution, or vote in the election of the director, as the case may be.

20.11.3.5 for greater certainty, any business of the Association that is required by the Act or these presents to be conducted at an annual general meeting of the Association, may not be conducted in the manner contemplated in 20.11.

21. Accounts and Members rights to information.

21.1 The accounts and books of the Association shall be open to inspection by all members' at all reasonable times during business hours.

21.2 Once in each financial year the accounts of the Association shall be examined and the correctness thereof ascertained by auditors. The duties of the auditors shall be regulated in accordance with the Act.

21.3 A Member has the right to inspect and make a copy of the following documents as contemplated in sections 24, 26 and 85 of the act:

21.3.1 this Memorandum (as amended);

21.3.2 the record of Directors;

21.3.3 reports presented at an Annual General Meetings;

21.3.4 notices and minutes of all Members meetings (including any resolutions adopted at such meetings and any documents circulated in relation to any such resolutions);

21.3.5 written communications sent generally by the Association to Members;

21.3.6 the record of the Association secretary and Auditor.

22. Service of notices

A notice may be served by the Association upon any member at the address of any unit or full title stand owned by him/her unless the member shall have notified the

Association of another address for service of notices and in the case of a body corporate, at the body corporate's domicilium address in terms of the Sectional Titles Act. Any notice served by post shall be deemed to have been served on the 3rd (third) day but one following that on which the notice was posted and served by hand or by fax or email on the day of service.

23. Indemnity of Directors/Employees/Agents

23.1 Every director including former director, servant, agent and employee of the Association and any managing agent, his employees, nominees or invitees, shall be indemnified by the Association against all costs, losses and expenses (including travelling expenses) which such person or persons may incur or become liable for by reason of any contract entered into or any act or deed done by such person or persons in the discharge of their respective duties, including in the case of a director, his duties as chairman or vice-chairman. Without prejudice to the generality of the foregoing, the Association shall specifically indemnify every such person against all losses of whatsoever nature incurred arising out of any bona fide act, deed or letter done or written by him jointly or severally in connection with the discharge of his duties.

23.2 The authority of the Associations' Board of Directors to indemnify a Director in respect of liability as set out in section 78(5) of the act is not limited or restricted by this Memorandum.

23.3 The authority of the Associations' Board of Directors to purchase insurance to protect the Association, or a Director, as set out in section 78(6) of the act is not limited or restricted by this Memorandum.

24. General

24.1 Whenever they consider that the appearance or use of any land or building vested in a member or members is such as to be unsightly or injurious to the amenities of the surrounding area or the Association area generally, the directors may serve notice on such member or members to take such steps as may be specified in the notice to eliminate such use or unsightly or injurious condition. In the event of the member or members failing within a

reasonable time, to be specified in such notice, to comply therewith, the directors may enter upon the Association area or unit concerned and take such steps as may be necessary, and recover the cost thereof from the member or members concerned, which costs shall be deemed to be a debt owing to the Association.

- 24.2 The directors shall be obliged in giving such notice to act reasonably.
- 24.3 In the event of any member, full title stand owner or unit owner and/ or any servant, agent or independent contractor of any member causing any damage to any landscape or other work done on the estate common property or within the development area or to security equipment facilities, such damage may be repaired by the Association and the member concerned shall be liable for the costs thereof.
- 24.4 The members shall at all times observe all laws and by-laws, regulations, the provisions of the town planning scheme and any other provisions in force relating to its Association area and ensure compliance by all members of that specific Association area or the use thereof. In the event of any member failing so to do, such failure shall be deemed to be a breach of these presents and the directors shall be entitled to take such action as they may be empowered and as they may deem fit in terms hereof to remedy such breach or to prevent the continuation thereof. In the event of any town planning scheme laying down any conditions in relation to the matters dealt with herein which are more onerous than the conditions herein laid down, the provisions of such town planning scheme shall prevail.
- 24.5 Each member shall comply fully with all security measures introduced by the directors and a body corporate shall ensure that its' members comply fully therewith and with all the rules as may be prescribed by the Association from time to time.
- 24.6 The Association may if applicable, require any member to maintain its Association area or any open spaces within its own Association area and in the event of such member failing so to maintain its Association area to the satisfaction of the Association, the Association shall be entitled to take such

action as may be necessary and to levy an account to the member in order remedy the failure.

24.7 No person shall commence with the construction of any building or structure within the Association area, or any additions or alterations thereto unless he has submitted to the directors or duly appointed representative of the Architectural Review Committee (ARC) for examination and written approval or refusal such plans for such building, structure, alteration or addition as are required in terms of the bylaws of the local authority having jurisdiction over the Association area, and any such additional plan or information relating to the proposed building, structure, alterations or additions as the directors or their duly appointed representative may require.

24.8 In addition thereto such person shall furnish the directors with proof to their satisfaction, that sufficient funding is available to complete the construction within a period of nine (9) months from date of approval of the building or structure.

24.9 The directors shall have the power:

24.9.1 to charge a fee for the examination and approval or refusal of building plans;

24.9.2 in approving any plan, to lay down such reasonable condition as they may deem fit;

24.9.3 to refuse approval of the plans in the event of the directors in their sole discretion determining that such plans or the development proposals therein contained are not in accordance with these presents.

24.10 No registered owner of a full title stand, sectional title unit, being a member shall transfer his full title stand, sectional title unit until the board of directors under the hand of one of its members has certified that the member has at date of transfer fulfilled all his/her obligations including financial obligations to the Association.

- 24.11 No transfer of a sectional title unit shall take place until the board of directors, under the hand of one of its' members, has certified that the member, body corporate of the scheme in which that sectional title unit is situated, has, at the date of transfer, fulfilled all of its' obligations including financial obligations to the Association. In the event that the body corporate shall fail in its obligation in this respect, the body corporate shall be liable to the Association for any outstanding financial obligations due to it
- 24.12 No full title stand or any interest therein shall be transferred without the prior written consent of the Association. Such consent shall not be withheld unless;
- 24.12.1 Such member is indebted to the Association in any way in respect of levies or other amounts which the Association may in terms of these presents be entitled to claim from him;
 - 24.12.2 the proposed transferee, in the case of the transfer of a full title stand or unit, has not agreed to become a member of the Association and paid the stabilization levy as defined in clause 2.8;
 - 24.12.3 such member remains in breach of any of the provisions of these presents or any rules after notice from the directors requiring him to remedy such breach.
 - 24.12.4 dwelling erected on a full title stand and or unit that is to be transferred, complies with the plans in possession of the Association .
- 24.13 The Association may claim from any Member or his estate any levy arrears or interest or any other amount due by him to the Association at the time of his ceasing to be a Member.
- 24.14 Subject to the provisions of clause 2.9 read with clause 2.10 hereabove, where a member is a company, close corporation or trust then no transfer of

the shares, members' interest or beneficiary's interest, as the case may be, may take place without the prior written consent of the directors. This consent will not be given unless and until the company, close corporation or trust, as the case may be, has furnished to the directors in writing the full details of the proposed new shareholders, members, beneficiaries respectively as well as the date on which the shareholding, membership, beneficiary will change. Further, the written consent of the directors will not be given unless and until all monies owing by the particular member company, close corporation or trust up to and including the effective date have been paid. Until the consent of the directors has been given, the selling shareholder, member or beneficiary, as the case may be, shall be liable personally as a co-principal debtor to the Association for all the outstanding obligations of the company, close corporation or trust, as the case may be.

- 24.15 The directors in issuing the certificate or granting the consent referred to in clause 24.10, 24.12 and 24.14 above shall be entitled to charge a reasonable fee therefor to be determined by the directors from time to time subject to review by the Association in general meeting.
- 24.16 The Association may enter into agreements with members for the provision of amenities and services to the members and to levy a reasonable charge in respect of the provision thereof.
- 24.17 In the event of the Association electing to provide a security service and/or other services for members in the Association area, all members shall be obliged:
- 24.17.1 to permit the installation of any equipment on the units or in the buildings comprising the units for the purpose of such services as may be determined by the Association from time to time;
 - 24.17.2 subject to the directors discretion as set out herein, to make payment of the charges raised by the Association in respect of such services;

24.17.3 to abide by such terms and conditions as may be laid down by the Association from time to time in respect of such equipment and services.

24.18 Where the boundary or any member's unit also constitutes the boundary of the Association area, such member shall be obliged to permit the Association to erect upon such member's unit immediately adjacent to the boundary, such walling or other fencing as the developer and/or the Association may determine. Such member shall not be entitled to interfere in any manner whatsoever with any such walling for fencing and shall permit the Association from time to time access to such member's unit/stand in order to inspect such walling or fencing and to effect such repairs as may be necessary from time to time.

24.19 The directors may delegate such of their powers to a managing agent as they may determine subject to any restriction imposed or direction given at any general meeting of the Association.

25. Arbitration

Any breach by a member of any provision of these articles or of any other rules and regulations made in terms hereof and any dispute arising out of or in connection with these articles, or any other rules or regulations made in terms hereof or the interpretation thereof may, in the discretion of the Directors, be referred to Arbitration and award.

25.1 Arbitration in terms hereof shall be governed by the rules of AFSA (Arbitration Foundation of Southern Africa) except to the extent set out herein.

25.2 If either the Directors or a member requires any matter in terms hereof to be referred to Arbitration that party shall notify the other party in writing identifying the claim or issue, and if the other party wishes to counterclaim that party shall in turn, within 7(seven) days, notify the first party in writing identifying the counterclaim, failing which the counterclaim may not be made in the same proceedings except with the consent of the other party. The notices shall furnish sufficient details to enable the recipient to produce

at the preliminary conference all documents relating to the issue or claim or counterclaim, as the case may be.

25.3 The Arbitration proceedings shall be deemed to have commenced as soon as the notice requiring the claim to be referred to Arbitration has been given.

25.4 If either party intends to be legally represented in the Arbitration that party shall immediately notify the other party in writing of that intention.

25.5 The Arbitration shall be held in a summary manner.

The Arbitrator will be a practising senior advocate of not less than 5 years standing as a senior, or a retired judge, or an attorney of not less than 15 years standing, to be appointed by agreement between the parties, failing which, by the Chairman for the time being of the Law Society of the Northern Provinces or any replacement body thereto.

25.6 The Arbitrator's decision shall be final and binding on the parties

26. **Amendment of the Memorandum of Incorporation**

26.1 Notwithstanding any alterable Provision to the contrary, this Memorandum may be amended only if the proposed amendment is preceded by a Special Resolution passed at a properly quorate meeting of Members.

26.2 This memorandum of Incorporation may only be amended by a special resolution of a members' meeting passed by a majority of not less than 75% of the votes cast subject to the following reservations as set out in clause 26.3.

26.3 The members of the Association in terms of the memorandum are entitled to amend or delete clauses 7.1; 7.3; 13.2; 16.2 by special resolution at an annual general meeting of members. During the casting of such votes for such resolution, the developer shall be entitled to cast a vote in respect of each vote held by him save that the developer will not be entitled to exercise its veto right as stipulated in clause 18.4 of the memorandum.

26.4 If the memorandum is amended then the Board must file a notice of amendment of the memorandum and the amendment will take effect on the date the notice of amendment is filed or such later date as is specified in the notice of amendment

26.5 The Board, or any individual authorised by the Board, may alter this memorandum in a manner necessary to correct a patent error in spelling, punctuation, reference, grammar or similar defect on the face of the document by providing written notice of the proposed alteration to each Member. If none of the Members raise any objection to the proposed alteration to the effect that the proposed alteration exceeds the authority provided for in this article 26.4 within five (5) business days of receiving the notice of the proposed alteration, the Board may file the required notice of alteration. If any Member objects to the proposed alteration on the grounds aforesaid, the proposed alteration must be preceded by a special resolution.

27. Merger

27.1 The Association may merge with any other body with similar objects, by resolution of a members' meeting.

27.2 In this event, the Association's net assets after discharge of its liabilities, together with its rights and obligations under these articles and under the conditions of title of units in the Association area will vest in the merged entity.

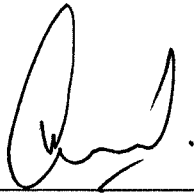
28. Income , winding up and or dissolution

28.1 The income of the Association, from all sources, shall be applied solely toward the achievement of its main objectives and no portion thereof shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise howsoever, to the Members of the Association or to its holding or subsidiary companies; provided that nothing herein contained shall prevent the payment, in good faith, of reasonable remuneration to any officer or servant of the Association or to any Member thereof in return for services rendered to the Association.

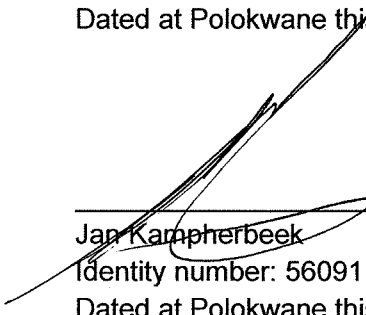
- 28.2 In terms of the conditions of establishment as registered in the title deed at deeds office, the Association may not be dissolved or wound up or liquidated unless so ordered by a Court of Law having competent jurisdiction.
- 28.3 Upon its winding up, deregistration or dissolution if so ordered by a court, the assets of the Association remaining after the satisfaction of all its liabilities, shall be given or transferred to some other association or institution or associations or institutions having objects similar to its main object, for the benefit of the members as determined, by the Court.

29. **Association Clause**

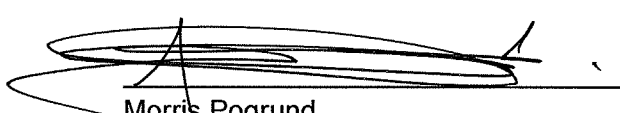
We, the, whose full names and identity numbers are subscribed, are desirous of being formed into a company in pursuance of this memorandum of incorporation and we respectively agree to become members of the Association.



Paul Heinrich Altenroxel
Identity number: 680417 5143 089
Dated at Polokwane this __ day of October 2012



Jan Kampherbeek
Identity number: 5609115116082
Dated at Polokwane this __ day of October 2012



Morris Pogrund
Identity number: 600711 5052 085
Dated at Polokwane this __ day of October 2012.