

The

MEMORANDUM OF INCORPORATION

of

PECANWOOD ESTATE HOMEOWNERS ASSOCIATION NPC

REGISTRATION NUMBER: 1997/12330/08



PECANWOOD
ESTATE
HOMEOWNERS ASSOCIATION

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THE REPUBLIC OF SOUTH AFRICA
COMPANIES ACT

MEMORANDUM OF INCORPORATION OF A NON-PROFIT COMPANY NOT
HAVING A
SHARE CAPITAL

Registration Number of company

1997 / 012330 / 08

Name of company:

PECANWOOD ESTATE HOMEOWNERS ASSOCIATION NPC

The Memorandum of Incorporation of the company is as set out in these Articles:

1. **INTERPRETATION:**

In this Memorandum of Incorporation, unless the context otherwise requires:

- 1.1. “**the boat club**” means the boat club developed on Erven 470 and 471 Pecanwood Extension 13 Township;
- 1.2. “**the company**” means the Pecanwood Estate Homeowners Association NPC to which these Memorandum of Incorporation is applicable, duly registered and incorporated according to the company laws of the Republic of South Africa;
- 1.3. “**the Companies Act**” means Act no 71 of 2008, as amended or any Act which replaces it;
- 1.4. “**the golf and country club and golf course**” means the golf and country club and golf course developed on Stands 877, 1083, 1084, 1205 and 1269 on the property and owned by Country Heights Pecanwood Golf and Country Club (Pty) Ltd (Registration Number 1996/013120/07) and which includes the successors in title to such company;
- 1.5. “**the residential stands**” means all the land on the property on which residential dwellings have been erected or will be erected as determined by the company from time to time and also includes consolidated stands and notarially tied stands on which single residential dwellings have been or will be erected, whether they are presently improved or unimproved and include all buildings thereon;
- 1.6. “**Bear Village Stands**” means stands 1258, 1259, 1260, 1261, 1262, 1263, 1264, 1265, 1266, 1267 and 1268 or any consolidation or when any of these stands are notarial tied situated in Pecanwood Extension 16 Township;

- 1.7. “**deliver**” means delivery of any notice, letter and/or any other document by hand at the members residential stand or to the member’s postal address as nominated and indicated by the member in writing and recorded in the register of the company or dispatched by telefax or e-mail to the facsimile number or e-mail address as indicated by the member in writing from time to time. Electronic communication will carry the meaning set out in Section 1 of the Electronic Communications and Transactions Act, Act 25 of 2002 or as amended
- 1.8. “**the land**” means collectively any portion of land situated on the property inclusive of any of the residential dwellings, the boat club and the golf and country club and golf course, but excluding that portion of the property, if any, developed or to be developed for the purposes of staff housing;
- 1.9. “**the manager**” means the managing agent, manager or managers with specified functions in terms of Article 11 appointed from time to time ;
- 1.10. “**members**” means the persons or entities referred to in Article 5 and which has specified rights in respect of the Company as contemplated in item 4 of Schedule 1 of the Companies Act 71 of 2008;
- 1.11. “**the open spaces**” means the common and general areas, including but not limited to the gatehouse, landscaped areas, private streets, street lights, pavements, kerbs, sidewalks, traffic islands inclusive of road reserve, water and sewerage treatment plants, electrical and water reticulation, any staff housing owned or used by the company, estate offices and other amenities and open spaces situated on the land, but excluding the golf and country club and golf course and boat club;
- 1.12. “**profits**” includes revenue left as a result of over budget and capital income generated from the sale of a capital asset(s);
- 1.13. “**the property**” means, collectively, previously Portion 106 and Portion 108 of the farm HARTBEESPOORT 482, Registration Division J.Q. North West Province, including the townships established thereon;
- 1.14. “**register**” means the register of members kept in terms of the Statutes;

- 1.15. **“the Republic”** means the Republic of South Africa;
- 1.16. **“the rules”** means the rules made by the directors in terms of Article 7 from time to time;
- 1.17. **“the Statutes”** means the Companies Act of the Republic of South Africa as well as each and every other statute or ordinance from time to time in force concerning companies and necessarily affecting the company;
- 1.18. references to members represented by proxy shall include members represented by an agent appointed under a general or special power of attorney and references to members present or acting in person shall include corporations represented or acting in the manner prescribed in the Statutes; and
- 1.19. expressions defined in the Companies Act, or any statutory modification thereof, in force at the date on which these Articles become binding on the company shall have the meanings so defined; and
- 1.20. 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.

2. **PRELIMINARY:**

- 2.1. If the provisions of these Articles are in any way inconsistent with the provisions of the Statutes, the provisions of the Statutes shall prevail, and these Articles shall be read and interpreted in all respects subject to the Statutes.
- 2.2. Notwithstanding the omission from these Articles of any provision to that effect, the company may do anything which the Companies Act empowers a company to do if so authorised by its Memorandum of Incorporation.

3. **NON-PROFIT COMPANY:**

The company is a non-profit company as defined and modified by Section 10(1) as well as the exclusions defined in Section 10(2) and Schedule 1 of the Companies Act 71 of 2008.

4. **MAIN OBJECT AND BUSINESS OF THE COMPANY:**

The main object of the company is to carry on, to promote, advance and to protect communal interests, safety and welfare of the members of the company, including, but not limited to, by maintaining the open spaces, controlling the aesthetic appearance of land, including landscaping, buildings and improvements on the property, controlling traffic, implementing security measures for the controlled access to the property and cutting the grass, trimming the edges, weeding, tidying and watering the private gardens of the freehold residential erven on the property.

The main business which the company is to carry on is the business of promoting, advancing and protecting the interests, safety and welfare of the members of the company, including, but not limited to, by:

- 4.1. Operating and maintaining the open spaces;
- 4.2. Controlling the aesthetic appearance of land, including landscaping and buildings on the property, controlling traffic and implementing security measures for and controlled access to the streets and to the property; and
- 4.3. Cutting the grass, trimming the edges, weeding, tidying and watering the private gardens of the freehold residential erven on the property.

5. **MEMBERS:**

5.1. The following persons shall be members of the company:

- 5.1.1. Any person who is the registered owner of any residential stand.

- 5.1.2. In respect of the boat club, collectively the owner of Erf 470 Pecanwood Extension 12 and the body corporate registered in respect of Erf 471 Pecanwood Extension 12, or their successors in title.
- 5.1.3. The owner of the stands comprising the golf and country club and golf course as set out in Article 1.4 or its successor in title.
- 5.2. No person, other than a person referred to in Article 5.1.1 to 5.1.3, shall be entitled to be a member of the company.
- 5.3. 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.
- 5.4. Where two or more persons are registered as owners of a residential stand, such registered owners shall be deemed to be one member of the company.
- 5.5. Subject to Article 5.6, when a member ceases to be the registered owner of any land he shall *ipso facto* cease to be a member of the company.
- 5.6. A member shall not sell or otherwise agree to alienate any land of which it is the registered owner, unless it is a condition of such agreement that:
- 5.6.1. the person to whom the land is to be sold or otherwise to be alienated (“the transferee”), has bound himself, to the satisfaction of the company, as a contract for the benefit of the company, to become a member of the company upon transfer of such land to him; so that
- 5.6.2. the registration of transfer of the land to the transferee shall *ipso facto* constitute the introduction of the transferee as a member of the company *mutatis mutandis*.

- 5.7. A member may not for as long as he is an owner of property resign as a member of the company.
- 5.8. The company shall keep a register of its members at the place and in the manner specified in the Statutes.

6. **LEVIES:**

- 6.1. The directors shall, from time to time, but will annually be obliged to establish and maintain a levy fund for the purpose of meeting all the expenses which the company has incurred, or which the directors reasonably anticipate the company will incur (which may include a reasonable provision for contingencies) for the ensuing financial year, in the furtherance of the company's business and objects as stated in Article 4 of this Memorandum of Incorporation.
- 6.2. Contributions to the levy fund shall be made by the members in accordance with the following formula and in the following proportions:
 - 6.2.1. Upon the inception of each and every financial year of the company, the directors will determine the number of residential stands.
 - 6.2.2. The budget as prepared in terms of Article 6.1 will be divided by 12 (twelve) months and be divided again by the number of residential stands calculated in terms of Article 6.2.1 together with an additional 20 (twenty) stands (for the boat club and golf and country club). This which will produce the monthly levy payable by each member of a residential stand.
 - 6.2.3. The golf and country club and golf course will be deemed to constitute a total of 15 (fifteen) residential stands and will monthly contribute 15 (fifteen) times the monthly levy payable by each member of a residential stand.
 - 6.2.4. The boat club will be deemed to constitute a total of 5 (five) residential stands and will monthly contribute 5 (five) times the monthly levy payable by each member of a residential stand.

- 6.3. The application of the formula in Article 6.2.2 will annually indicate the monthly levy payable by a member of the company which owns a residential stand and the levy contributions set out in 6.2.3 and 6.2.4 by the golf and country club and the golf course and the boat club respectively.
- 6.4. Contributions to the levy fund by members shall be made in accordance with Article 6.2.2 provided that:
- 6.4.1. any member who is the registered owner of more than one residential stand shall be liable to contribute his share in respect of each such stand owned by him; and
- 6.4.2. subject to any restriction imposed or direction given at a general meeting of the company, the directors shall have the power to from time to time, in their sole and absolute discretion, determine and resolve what the additional monthly contribution to the levy fund shall be, other than the contribution imposed in terms of Article 6.2.2, of a member who has consolidated or notorially tied two or more residential stands; and
- 6.4.3. subject to any restriction imposed or direction given at a general meeting of the company, the directors shall have the power to from time to time, in their sole discretion, determine and resolve what the additional monthly contribution to the levy fund shall be, other than the contribution imposed in terms of Article 6.2.2 of members who are the registered owners of the Bear Village stands; and

- 6.4.4. members who have not commenced building on a residential stand within 5 (five) years of such stand being transferred from Pecanwood Holdings (Pty) Ltd, shall be liable to contribute monthly double his contribution in respect of each such stand owned by him for the first year following the expiry of such five year period, thereafter monthly 3 (three) times his contribution in respect of each such stand owned by him for the second year following the expiry of the five year period, thereafter, contribute monthly 4 (four) times his contribution in respect of each such stand owned by him in the third year following the expiry of the five year period and thereafter contribute monthly 5 (five) times his contribution in respect of each such stand owned by him in the fourth year following the lapse of the five year period and which 5 (five) times contribution shall annually thereafter apply until building work commences and is finalised on his stand as per the Architectural Rules and Guidelines accepted by the Directors from time to time as per Article 6.
- 6.4.5. The directors shall, as soon as possible after the imposition of the levies in terms of Article 6.2, notify each member in writing of the contribution payable by him to the levy fund. Such levy contribution shall be payable in equal monthly instalments in advance on the first day of each and every month of the financial year.
- 6.5. The directors may from time to time make and impose special levies upon the members who are liable in terms of Article 6.2 or call upon them to make special contributions in respect of all such expenses as are mentioned in Article 6.1 above (which are not included in any estimates made in terms of Article 6.1) as per the formula set out in Article 6.2 or in such proportions by the members as the directors in their sole discretion may determine and such levies and contributions may be made payable in one sum or by such instalments, with or without interest and if with interest, at such rate as may be determined by the directors, and at such time or times as the directors shall think fit.
- 6.6. A member shall not be entitled to withhold payment for any reason whatsoever of any levy or special levy or contribution due by him to the company.
- 6.7. Interest shall be payable on arrear levies at such rate and at such intervals as may from time to time be determined by the directors.

- 6.8. Any amount due to by a member by way of a levy, special levy, contribution or interest thereon shall be a debt due by him to the company.
- 6.9. Where two or more persons are registered as the owners of the land, their liability to pay levies shall be jointly and severally.
- 6.10. The obligations of a member to pay levies and special levies shall cease upon him ceasing to be a member of the company, without prejudice to the company's right to recover arrear levies and interest thereon despite the member having ceased to be a member.
- 6.11. No levies, special levies or interest paid by a member shall under any circumstances be repayable by the company to the member upon him ceasing to be a member of the company.
- 6.12. A member's successor-in-title to the land shall be liable, with effect from the date upon which he becomes a member pursuant to the transfer of such stand, to pay the levy attributable concerned mutatis mutandis.
- 6.13. A member shall be liable for and pay all legal costs, including costs as between an attorney and his own client, and collection commission, expenses and all other charges incurred by the company in obtaining the recovery of arrear levies or any other arrear amounts due and owing by such member to the company or in the event the company imposes its Rules adopted from time to time by the directors.
- 6.14. No member shall be entitled to any of the privileges of membership unless and until he shall have paid every levy and interest thereon, and any other sum, if any, which may be due and payable by that member to company, from whatsoever cause arising and the member is in good standing with the company. A member is regarded in good standing and will be entitled to attend, vote and speak at any meeting of the company and to hold office as director of the company when he has paid all levies, special levies and interest due to the company and he is not in conflict or in breach with any rule of the company.

6.15. A member shall not sell or otherwise agree to alienate the land of which it is the registered owner, unless all financial obligations towards the company has been met by the member and a member shall not be entitled to transfer his land, unless a certificate under the hand of a director of the company has been issued certifying that all financial obligations of the member to the company has been met and the requirements of paragraph 12 have been met.

7. **RULES:**

7.1. Subject to the provision of Article 7.2, Section 15(3) and 15(4) of the Companies Act and to any restriction imposed or direction given at a general meeting of the company, the directors may from time to time make, and from time to time amend, substitute or add to,

7.1.1. rules governing the design and aesthetic control of any building improvements to be erected on the residential stands, the open spaces and any facilities which may exist on the land which are intended for the general use, enjoyment and amenity of the members;

7.1.2. rules governing the conduct of members, their families, lessees, visitors, guests, occupants of their dwellings, contractors, employees and friends to ensure the security and safety of the property and all persons thereon.

7.2. No rules, as envisaged in Article 7.1 shall be made, amended or added to have the effect of restricting the right of the owner of the golf and country club and golf course or the boat club and their members, guests, invitees, customers, contractors, repair and maintenance personnel, officers, employees, principals, and agents to access to the property and use of the open spaces.

- 7.3. For the enforcement of any of the rules made by the directors in terms hereof, the directors may:
- 7.3.1. take or cause to be taken such steps as they may consider necessary to remedy the breach of the rule of which the member may be guilty (including, without limiting the generality of the aforementioned, summarily terminating the supply of services to the member's land and/or denying or restricting access to the property by the member), and debit the cost of so doing to the member concerned, which amount shall then be deemed to be a debt owing by the member concerned to the company; and/or
 - 7.3.2. take such other action, including court proceedings, as they may deem fit.
- 7.4. In the event of any breach of the rules by the members of any member's household, or his guests, or lessees, such breach shall be deemed to have been committed by the member himself, but, without prejudice to the aforementioned, 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.
- 7.5. In the event of any member disputing the fact that he has committed a breach of any of the rules aforesaid, a committee of three directors, appointed by the chairman of the company, shall adjudicate upon this issue summarily at such time and in such manner and according to such procedure as the chairman may direct.
- 7.6. Notwithstanding the aforementioned, the directors may in the name of the company enforce the provisions of any rules by proceedings in a court of competent jurisdiction and for this purpose may appoint such attorneys and counsel as they may deem fit.
- 7.7. It shall be the duty of the manager, or such other person or body as may be empowered by the directors, to ensure compliance by the members with the rules, and to this end to issue such notices or do such things as may be necessary or requisite.
- 7.8. Each member undertakes towards the company that he shall comply with any rules made in terms of this Article 7.

8. **MAINTENANCE:**

The directors shall have the power, without prejudice to any other rights of the company:

- 8.1. whenever they consider that the appearance of any residential stand, the open spaces or land or any building thereon or any landscaping or any land owned by a member, is unsightly or injurious to the amenities of the surrounding area or the property generally, to serve notice on such member to take steps as may be specified in the notice to rectify such unsightly or injurious conditions within a stated period;
- 8.2. should a member on whom a notice in terms of Article 8.1 is served fail to take such steps as may be specified in the notice within the stated period, the company may take such steps as may be necessary to rectify such unsightly or injurious condition and to recover the costs of so doing from the member concerned, which costs shall be deemed to be a debt owing by such member to the company;
- 8.3. from time to time determine the routine maintenance requirements of the open spaces and to instruct the manager to attend to such maintenance requirements on behalf and at the cost of the company; and
- 8.4. to pay the costs of employing and housing an estate manager and/or such staff as they deem necessary to further the company's objects.

9. **AESTHETICS:**

- 9.1. No member may:
 - 9.1.1. erect any structure on any residential stand or land unless in compliance with the rules referred to in Article 7.1; or
 - 9.1.2. erect any structure on any residential stand which comprises more than a single storey, including but not limited to loft rooms or a mezzanine floor, without the prior written approval of the company, which approval maybe withheld; or

- 9.1.3. erect any fencing or walling on the land or the property or the residential stands, other than as prescribed by the directors from time to time in the rules referred to in Article 7.1; or
- 9.1.4. install television antennae, radio aerials, satellite dishes, diesel powered generators or solar heating panels which are exposed to view from any building on the land without the prior written approval of the company; or
- 9.1.5. make any additions or extensions to any building on any residential stand or erect any further building or structure, in particular, but not limited to, carports, garages, servants' quarters, store rooms, pergolas and boat houses or boat lifts, whether of a temporary or permanent nature, without the prior written approval of the company;
- 9.1.6. Such approval shall not be withheld unless the directors of the company are of the opinion that such building or structure is inconsistent with the standard of finishes, architectural style and/or appearance of the existing buildings on the property.

10. **AMENITIES:**

- 10.1. The directors shall have control of all social and recreational facilities and amenities situated on the open spaces and may lay down, and amend, from time to time such rules as they may consider necessary for the use of any such facilities and amenities by members, including the charging of such fee as they may deem reasonable for the use thereof.
- 10.2. The directors may establish or permit the establishment of clubs or associations of members to control and regulate the use of any such social and recreational facilities and amenities, and may delegate to the committees of such clubs or associations any or all of their functions, powers and duties in relation to the particular facility or amenity concerned as they may deem fit.
- 10.3. The directors may, in their discretion, make use of untreated water from the Hartbeespoort Dam and/or treated effluent for the purpose of watering any part of the open spaces.

11. **MANAGER:**

- 11.1. The directors may from time to time, and shall if required by the members of the company in general meeting, appoint in terms of a written contract a managing agent, manager or managers with specified functions to control, manage and administer the company and to exercise such powers and duties as may be entrusted to a manager, including the power to collect contributions levied.
- 11.2. The directors shall ensure that there is included in the contract of appointment of the manager a provision to the effect that if he is in breach of any of the provisions of this contract, or if he is guilty of conduct which at common law would justify the termination of a contract between master and servant, the directors may, without notice, cancel such contract of appointment and the manager shall have no claim whatsoever against the company or any of the members as a result of such cancellation.
- 11.3. The contract with the manager shall further provide for the appointment to be terminated and the manager shall cease to hold office if:
- 11.3.1. where the manager is a company, an order is made for its provisional of final liquidation, or where the manager is a natural person, he surrenders his estate as insolvent or his estate is sequestrated, whether provisionally or finally; or
- 11.3.2. the manager is convicted of an offence involving fraud or dishonesty, or, where the manager is a company, any of its directors are convicted of an offence involving fraud or dishonesty; or
- 11.3.3. a special resolution of the members of the company is passed to that effect, provided that in such event the manager so removed from office, shall not be deprived of any right he may have to claim compensation for damages for breach of contract.
- 11.4. The manager shall keep full records of his administration and shall report to the company on all matters which in his opinion detrimentally affect the value or amenity of any portion of the property.

- 11.5. The directors shall give reasonable prior notice to the manager of all meetings of the directors and the manager shall be entitled to be present thereat.
- 11.6. The directors shall from time to time furnish to the manager copies of the minutes of all meetings of the directors and of the company.
- 11.7. Should there be no manager in office at any time, then all references in these articles to the manager shall be deemed to be a reference to the directors.

12. **RESTRICTION ON TRANSFER OF THE LAND:**

- 12.1. No member shall transfer the residential stand of which he is the registered owner unless:
 - 12.1.1. the company, under the hand of the manager or a director has certified in writing that the member has fulfilled all his financial obligations to the company in respect of the period up to and including the date specified in such notice; and
 - 12.1.2. the transfer takes place prior to or on that specified date; and
 - 12.1.3. the company, under the hand of the manager or a director has certified in writing that the dwelling erected on the residential stand to be transferred, complies with the plans in possession of the company;
 - 12.1.4. the proposed transferee has agreed in writing to become a member of the company and such written agreement has been lodged with the company;
 - 12.1.5. a certificate in compliance with paragraphs 12.1.1 has been issued by the company to the member that all levy contributions or other amounts owing by such member to the company have been paid prior to the transfer or that prior provision has been made to the satisfaction of the directors for the payment thereof at registration.

12.2. The company may claim from any member or his estate any arrears of levy or interest of other amount due by him to the company at the time of his ceasing to be a member.

13. **MEETINGS OF MEMBERS:**

13.1. The company, at such times as are in the Statutes prescribed, shall hold general meetings in person by members to be known and described in the notices calling such meetings as annual general meetings.

13.2. The directors may, whenever they think fit, convene a general meeting, and a general meeting shall also be convened on a requisition by members representing 20% (twenty per centum) of the total voting rights of all the members of the company having at the date of the lodgement of the requisition, a right to vote at general meetings of the company or, in default by the directors in response to the request, may be convened by the requisitionists as provided by and subject to the provisions of the Statutes.

13.3. Every meeting of members shall, unless otherwise resolved by the directors, be held on the property or in the city or town in which the company's registered office is situated for the time being.

13.4. Subject to the provisions of the Statutes relating to meetings of which special notice is required to be given, an annual general meeting and a meeting called for the passing of a special resolution shall be called by 21 (twenty one) clear days' notice in writing at the least, and a meeting of the company, other than an annual general meeting or a meeting for the passing of a special resolution, shall be called by 14 (fourteen) days notice in writing at the least.

13.5. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given and shall specify the place, the day and the hour of meeting and, in the case of special business, the general nature of the business, and shall be given, in the manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the company at a meeting of members, to such persons as are, under these Articles, entitled to receive such notices from the company, provided that a meeting of the company shall, notwithstanding that it is called by shorter notice than that specified in this Article, be deemed to have been duly called if it is so agreed by a majority in number of the members having a right to attend and vote at the meeting. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings of that meeting.

14. **PROCEEDINGS AT MEETINGS OF MEMBERS:**

14.1. All business that is transacted at a general meeting, and all that is transacted at the annual general meeting, with the exception of the consideration of the audited financial statements, the election of auditors and the fixing of the remuneration of the auditors shall be deemed to be special business.

14.2. Business may be transacted at any meeting of members only while a quorum is present.

14.3. The quorum at a meeting of members shall be 151 (one hundred and fifty one) members entitled to vote present or represented by proxy.

14.4. If within 1 (one) hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved, and in any other case it shall stand adjourned to the same day in the next week, at the same time and place or, if that day be a public holiday, to the next succeeding day other than a public holiday, and if at such adjourned meeting a quorum is not present within 1 (one) hour from the time appointed for the meeting then, subject to the Statutes, the members or member present shall be a quorum.

- 14.5. The chairperson, if any, of the board of directors shall preside as chairman at every meeting of members of the company. If there is no such chairperson, or if at any meeting he is not present within 15 (fifteen) minutes after the time appointed for holding the meeting or is unwilling or unable to act as chairperson, the members present shall choose some director or, if no director be present or, if all the directors present decline to take the chair, they shall choose some member present to be chairperson of the meeting.
- 14.6. The chairperson may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned as a result of a direction given in terms of any applicable provision in the Statutes, notice of the adjourned meeting shall be given in the manner prescribed by such provision but, save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- 14.7. At any meeting of members a resolution put to the vote of the meeting shall be decided on a show of hands, unless before or on the declaration of the result of the show of hands a poll shall be demanded by any person entitled to vote at the meeting and, unless a poll is so demanded, a declaration by the chairperson that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect has been made in the minute book of the company, 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. No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to, is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairperson of the meeting, whose decision shall be final and conclusive.

14.8. If a poll is duly demanded it shall be taken in such manner as the chairperson directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the polls was demanded. Scrutineers shall be elected to declare the result of the poll, and their decision, which shall be given by the chairman of the meeting, shall be deemed to be the resolution of the meeting at which the poll is demanded.

14.9. In the case of an equality of votes, whether on a show of hands or on a poll, the chairperson of the meeting at which the show of hands takes place, or at which the poll is demanded, shall not be entitled to a second or casting vote.

15. **VOTES OF MEMBERS:**

15.1. At any meeting of the company:

15.1.1. each member of the company present in person or by proxy or, if a member is a body corporate, duly represented at any meeting of the company shall have:

15.1.1.1. 1 (one) vote for each of the freehold residential stands of which he is the owner;

15.1.1.2. 15 (fifteen) votes in respect of the golf club and golf course of which he is the owner;

15.1.1.3. 5 (five) votes in respect of the boat club of which he is the owner.

15.2. A proxy holder needs not be a member of the company.

15.3. The form appointing a proxy shall be in writing under the hand of the appointer or of his agent duly authorised in writing or, if the appointer is a corporate body, under the hand of an officer or agent authorised by that body. The holder of a general or special power of attorney given by a member shall be entitled to vote, if duly authorised under that power to attend and take part in the meetings and proceedings of the company or companies generally, whether or not he be himself a member of the company.

15.4. The form appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power of authority shall be deposited at the registered office of the company not less than 24 (twenty four) hours (or such lesser period as the directors may unanimously determine in relation to any particular meeting) at which the person named in the form proposes to vote, and in default the form of proxy shall not be treated as valid. No form appointing a proxy shall be valid after the expiration of 6 (six) months from the date when it was signed, except at an adjourned meeting unless otherwise specifically stated in the proxy itself.

15.5. Subject to the provisions of the Companies Act, a form appointing a proxy may be in any usual or common form.

16. **DIRECTORS:**

16.1. Until otherwise determined by a meeting of members, the number of directors shall not be less than 4 (four).

16.2. The company may from time to time at any meeting of members increase the number of directors.

16.3. A third of the board of directors will annually stand down from the board of directors. Members of the board who stand down will be eligible to stand immediately for re-election on the board.

16.4. A director need not be a member of the company.

16.5. Unless otherwise decided by a meeting of members any casual vacancy occurring in the board of directors may be filled by the directors.

16.6. The company at a meeting of the directors shall have power at any time, and from time to time, to appoint any person as a director.

16.7. The remuneration of the directors shall from time to time be determined by a special resolution approved by the members of the Company and subject to the provisions of Section 66(8) and Section 66(9) of the Companies Act, having regard to the general principle that directors should not be remunerated. The directors may also be paid all travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as directors including those of attending and travelling to and from meetings of the directors or any committee of the directors or at any meeting of members of the company.

16.8. 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 Companies Act.

17. **ALTERNATE DIRECTORS:**

17.1. Any director shall have the power to nominate another person to act as alternate director in his place during his absence or inability to act as such director, and on such appointment being made, the alternate director shall, in all respects, be subject to the terms and conditions existing with reference to the other directors of the company. A person may be appointed as alternate to more than one director. Where a person is alternate to more than one director or where an alternate director is a director, he shall have a separate vote, on behalf of each director he is representing in addition to his own vote if any.

17.2. The alternate directors, whilst acting in the place of the directors who appointed them, shall exercise and discharge all the duties and functions of the directors they represent. The appointment of an alternate director shall cease on the happening of any event which, if he were a director, would cause him to cease to hold office in terms of these Articles or if the director who appointed him ceases to be a director, or gives notice to the secretary of the company that the alternate director representing him, shall have ceased to do so. An alternate director shall look to the director who appointed him for his remuneration.

18. **BORROWING POWERS OF DIRECTORS:**

18.1. The directors may in their discretion, from time to time, raise or borrow from the members or other bodies corporate any sums of money for the purpose and objects of the company as set out in this Memorandum of Incorporation of the Company without limitation.

18.2. The directors may secure the payment or repayment of any sums of money borrowed or raised in terms of Article 18.1 or the payment of any debt, liability or obligation whatsoever of the company, in such manner and upon such terms and conditions in all respects as they think fit.

19. **GENERAL POWERS AND DUTIES OF DIRECTORS:**

19.1. The business of the company shall be managed by the directors who may exercise all such powers of the company as are not excluded by the Statutes or by these Articles required to be exercised by the company at any meeting of members, subject nevertheless to the provisions of these Articles and of the Statutes and to such regulations being not inconsistent with these Articles or the Statutes, as may be prescribed by the company at any such meeting; but no regulation made by the company at such meeting shall invalidate any prior decisions by any of the directors which would have been valid if that regulation had not been made.

19.2. The directors may from time to time appoint one or more of their body to the office of managing director for such period and generally on such terms as they may think fit. The appointment of a managing director shall terminate *ipso facto* if he shall cease for any reason to be a director, or if the company at any meeting of members shall resolve that his tenure of the office of managing director be terminated.

- 19.3. The directors may from time to time entrust to and confer upon a managing director for the time being such of the powers vested in them as they may think fit, and may confer such powers for such time and to be exercised for such objects and upon such terms and with such restrictions as they may think expedient; and they may confer such powers either collaterally or to the exclusion of, and in substitution for, all or any of the powers of the directors, and may from time to time revoke or vary all or any of such powers.
- 19.4. The directors shall have the power from time to time to delegate to any one of their body or to any other person, whether in the Republic or not, such of the powers as are vested in the directors pursuant to the Statutes or under these Articles, as they may deem fit.
- 19.5. The directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the directors. Save as aforesaid, the meetings and proceedings of a committee consisting of more than one member shall be governed by the provisions of these Articles regulating the meetings and proceedings of directors.
- 19.6. The directors shall not be entitled to undertake on behalf of the company any works of a capital nature, without the sanction of a resolution of the company in general meeting.

20. **DISQUALIFICATION AND PRIVILEGES OF DIRECTORS:**

- 20.1. A director shall cease to hold office as such if:
- 20.1.1. he ceases to be a director by virtue of any of the provisions of the Statutes or becomes prohibited from being a director by reason of any order made under the Statutes; or
- 20.1.2. his estate is sequestrated or he files a petition for the surrender of his estate or an application for an administration order, or if he commits an act of insolvency as defined in the insolvency law for the time being in force, or if he makes any arrangement or composition with his creditors generally; or

- 20.1.3. he is declared a lunatic or becomes of unsound mind; or
- 20.1.4. he is removed by a resolution of the company as provided in the Statutes; or
- 20.1.5. he resigns his office by notice in writing to the company; or
- 20.1.6. a notice removing him from office is signed by members having a right to attend and vote at a meeting of members who hold more than 75% (seventy five per centum) of the total voting rights of all the members who are at that time entitled so to attend and to vote and is delivered to the company or lodged at its registered office; or
- 20.1.7. he is otherwise removed in accordance with any provisions of these Articles.
- 20.2. No director or intending director shall be disqualified by his office from contracting with the company in any manner whatsoever.
- 20.3. Such director shall be entitled to vote at any board meeting or otherwise in relation to such contract as freely as if he were not interested therein and he shall be reckoned for the purpose of constituting a quorum of directors.

21. **PROCEEDING OF DIRECTORS:**

- 21.1. A director may, and the manager on the requisition of a director shall, at any time summon a meeting of the directors.
- 21.2. The directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit.
- 21.3. Unless otherwise resolved by the directors, all their meetings shall be held on the property or in the city or town where the company's registered office is for the time being situated.
- 21.4. Questions arising at any meeting of directors shall be decided by a majority of votes.

- 21.5. The chairman shall not have a second or casting vote in the case of an equality of votes.
- 21.6. The directors may determine what period of notice shall be given of meetings of directors and may determine the means of giving such notice. It shall not be necessary to give notice of a meeting of directors to any director for the time being absent from the Republic, but notice of any such meeting shall be given to his alternative, if he has appointed one, provided that such alternate is in the Republic.
- 21.7. Until otherwise determined by the directors, a quorum shall consist of 3 (three) directors. For the purposes hereof a director who has authorised another director to vote for him at a meeting in terms of Article 21.10 shall, if the director so authorised is present at the meeting, be deemed to be present himself and each director whose alternate is present at a meeting (even if the latter is alternate to more than one director) shall be deemed to be so present.
- 21.8. The continuing directors (or sole continuing director) may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to these Articles as a quorum, the continuing directors or director may act only for the purpose of summoning a general meeting of the company. If there are no directors or director able and willing to act, and no specific provision is made in these Articles for the appointment of directors, then any two members may summon a general meeting for the purpose of appointing directors.
- 21.9. Subject to the Statutes, a resolution in writing signed by the sole director or by all the directors for the time being present in the Republic and being not less than are sufficient to form a quorum shall be as valid and effectual as if it had been passed at a meeting of the directors duly called and constituted. Provided that where a director is not present in the Republic, but has an alternate who is, the resolution must be signed by that alternate. The resolution may consist of several documents, each signed by one or more directors or their alternates in terms of this Article.

21.10. A director unable to attend a directors meeting may authorise any other director to vote for him at the meeting, and in that event the director so authorised shall have a vote for each director by whom he is so authorised in addition to his own vote. If both the director so authorised and an alternate of the director who granted the authority are present at the meeting, the alternate shall not be entitled to vote on behalf of the absent director. Authority in terms of this Article must be in writing (which may take the form of a letter, telegram, cable, e-mail, telefax or telex) and must be handed to the person presiding at the meeting at which it is to be used.

21.11. The directors may elect a chairman of their meetings and determine the period for which he is to hold office, but if no such chairman is elected, or if at any meeting the chairman is not present within 15 (fifteen) minutes after the time appointed for holding it, the directors present may choose one of their number to be chairman of the meeting.

22. **VALIDITY OF ACTS OF DIRECTORS AND COMMITTEES:**

As regards all persons dealing in good faith with the company, all acts done by any meeting of the directors or of a committee of directors, or by any person acting as a director, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment or continuance in office of any such directors or persons acting as aforesaid, or that they or any of them were disqualified or had ceased to hold office or were not entitled to vote, be as valid as if every such person had been duly appointed or was qualified or had continued to be a director or was entitled to vote, as the case may be.

23. **RESERVES:**

The directors may set aside out of the profits of the company and carry to reserve such sums as they think proper. All sums standing to the credit of revenue and general reserve shall at the discretion of the directors be applicable for meeting contingencies, for the gradual liquidation of any debt or liability of the company, for establishing, repairing, improving or maintaining any property of the company, for meeting losses on realisation of or writing down investments either individually or in the aggregate, or for any other purpose to which profits of the company may appropriately be applied. Pending such application such sums may either be employed in the business of the company (without being kept separate from the other assets of the company) or be invested. The directors may divide the reserve into such special reserves as they think fit and re-allocate the amounts of such reserves either in whole or in part to other special or general reserves and may consolidate into one reserve any special reserves or any parts of any special reserves into which the reserve may have been divided. The directors may also carry forward any profits without placing them to reserve.

24. **NOTICES, e-mail communication and website:**

- 24.1. A notice by the company to any member shall be regarded as validly delivered if it is delivered personally to the member or sent by prepaid post to him at the address referred to in 24.3 or telefaxed or e-mailed to him by electronic communication at a telefax number or e-mail address which was provided in terms of 24.3.
- 24.2. A member shall be bound by every notice given to him in terms or Article 24.1.
- 24.3. The company shall not be bound to enter any person in the register of members until that person furnishes the company with a physical address as well as postal address, a telefax number and e-mail address for entry in the register as set out in paragraphs 1.14 and 5.8 of these Articles and as per the Statutes.
- 24.4. Any notice, if given by post, shall be deemed to have been delivered on the day following that on which the letter or envelope containing such notice is posted, and in proving the giving of the notice sent by post it shall be sufficient to prove that the letter containing the notice was properly addressed and handed in at a Post Office. Any notice by hand, telefax and by e-mail shall be deemed to have been served on the same day of transmittal by hand, telefax and by e-mail.

25. **INDEMNITY:**

Every director, manager and officer of the company and every person (whether an officer of the company or not) employed by the company as auditor, shall be indemnified out of the funds of the company against all liability incurred by him as such director, manager, officer or auditor in defending any proceedings, whether civil or criminal, in which judgement is given in his favour, or in which he is acquitted, or in connection with any application under the Companies Act or any amendment thereof in which relief is granted to him by the court.

26. **WINDING-UP:**

If the company shall be wound up, deregistered or dissolved, the assets of the company 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, to be determined by the members of the company at or before the time of its dissolution or, failing such determination, by the Court.

27. **GUARANTEE:**

The company does not have a share capital.

The liability of each member is limited to the following amount upon the company being wound-up. Each member undertakes to contribute to the assets of the company while he is a member or within one year after he has ceased to be a member upon the company being wound- up, the amount of R1,00 (One Rand) in respect of each freehold residential stand of which he is the owner, R200,00 (Two Hundred Rand) in respect of the Golf and Country Club of which it is a member and R50,00 (Fifty Rand) in respect of the boat club as member for payment of the debts and liabilities of the company.