

The
MEMORANDUM OF INCORPORATION
of

PECANWOOD ESTATE HOMEOWNERS ASSOCIATION NPC

(Name of Company)

AS PER THE COMPANIES ACT OF SOUTH AFRICA
“MEMORANDUM OF INCORPORATION OF A
NON-PROFIT COMPANY NOT HAVING A SHARE CAPITAL”

REGISTRATION NUMBER: 1997/012330/08



PECANWOOD
ESTATE
HOMEOWNERS ASSOCIATION

Amended in August 2020
for
Consideration by Members

Table of Contents

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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. **“AGM or Meeting”** means the annual general meeting of the Company's Members;
- 1.2. **“Architectural Rules and Guidelines”** refers to the document that governs all building and aesthetic regulations pertaining to Residential Dwellings.
- 1.3. **“Board”** means the governing body of the Company, as per the Companies Act No. 71 of 2008, as amended;
- 1.4. **“Boat Club”** means the boat club developed on Erven 470 and 471 Pecanwood Extension 13 Township and registered in the name of the Country Heights Pecanwood Boat Club (Pty) Ltd (Registration Number 1998/016769/07) and which includes the successors in title to such company;
- 1.5. **“Boathouses”** means Sectional Title Development known as “SS Pecanwood Boat Houses B C”, referenced as Sectional Plan SS692/2000, situated at Pecanwood Extension 13 Township, owned by ERF 117 PECANWOOD EXT2 (Pty) Ltd (Registration No 1999/23140/07) and which includes the successors in title of the company;
- 1.6. **“Body Corporate”** means the legal entity responsible of reinforcement of rules and control of common areas in a sectional title development, as per the Sectional Title Schemes Management Act No. 8 of 2011.
- 1.7. **“Business Operations”** means the carrying out of business activities at a private residence, as approved by the Board and in compliance with local council regulations;
- 1.8. **“Code of Conduct”** refers to the document that governs the conduct on the Property of Persons, residents, contractors, visitors, and staff of the Company;
- 1.9. **“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;

- 1.10. **“Companies Act”** means Act no 71 of 2008, as amended or any Act which replaces it;
- 1.11. **“CSOS”** means the Community Scheme Ombudsman Service.
- 1.12. **“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;
- 1.13. **“Common Property”** means the common and general areas, including but not limited to the gatehouse, landscaped areas, private streets, streetlights, 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.
- 1.14. **“Common Property”** does not include the Golf and Country Club, Golf Course, Boat Club or Sectional Title Boathouses;
- 1.15. **“Common Property Reserve Fund”** means a fund for the purpose of funding major repairs and replacements over the estimated useful lives of the components of common property assets, based on the estimates of current replacement costs and repair costs. A minimum fund balance of three months’ of Members’ Levy contributions must be maintained for emergency and unforeseen replacement and maintenance cost.
- 1.16. **“Deliver”** means delivery of any notice or letter 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;
- 1.17. **“Director”** means a Person elected to the Board of Directors of the Company, as per the Companies Act No. 71 of 2008, as amended;
- 1.18. **“Golf and Country Club”** means the golf and country club 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;

- 1.19. **"IFRS"** means the International Financial Reporting Standards as issued from time to time by the International Accounting Standards Board or its successor body;
- 1.20. **"Levy"** means the regular monthly financial contribution by members in lieu of services provided by the Estate;
- 1.21. **"Levy Fund"** means a fund for the purpose of meeting all expenses that the Company has incurred, or which the Directors reasonably anticipate that 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 well as maintaining an emergency cash reserve of at least three months' worth of Members' Levy contributions as a reserve for unforeseen or capital replacement projects and other matters, as contemplated in this document;
- 1.22. **"Manager"** means the manager or managers that reports directly to the Board of Directors of the Company with specified functions in terms of clause 12 appointed from time to time;
- 1.23. **"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;
- 1.24. **"Member in Good Standing"** 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 when he has paid all Levies, Additional Levies, Special Levies and interest due to the Company and he is not in conflict with or in breach of any Rule.
- 1.25. **"Memorandum"** means this memorandum of incorporation of the Company, as amended from time to time;
- 1.26. **"Person"** means a natural person or a juristic person such as a Trust, Company or Close Corporation;
- 1.27. **"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;
- 1.28. **"Register"** means the register of members kept in terms of the Companies Act;
- 1.29. **"Republic"** means the Republic of South Africa;

- 1.30. **"Residential Dwelling"** means all the dwellings erected on Residential Stands in compliance with the Company's and the local authority's requirements;
- 1.31. **"Residential Stand"** 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 notorially 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;
- 1.32. **"Rules"** means the rules made by the Directors in terms of Clause 8 from time to time;
- 1.33. **"SGM or Meeting"** means a special general meeting of the Members of the Company;
- 1.34. **"Special Levy"** means once-off financial contributions by members for the funding of unforeseen and urgent projects from time to time;
- 1.35. **"Surplus"** means the excess that is realised when the amount of revenue generated by the Company during a particular financial period exceeds the costs and expenses incurred, and taxes paid by the Company during that financial period, all as determined in accordance with IFRS;
- 1.36. **"Statutes"** means the Companies Act of the Republic of South Africa as well as each other statute or ordinance from time to time in force concerning companies and necessarily affecting the company;
- 1.37. a reference to the Companies Act shall include reference to the Companies Regulations, 2011 promulgated in terms of the Companies Act, as amended, or substituted from time to time;
- 1.38. a reference to a "section" by number refers to the corresponding section of the Companies Act;
- 1.39. a reference to a "clause" by number refers to a corresponding provision of this Memorandum;
- 1.40. in any instance where there is a conflict in this Memorandum between a provision (be it expressed, implied or tacit) of this Memorandum and -
 - 1.40.1. an alterable or elective provision of the Companies Act, the provision of this Memorandum shall prevail to the extent of the conflict; and

- 1.40.2. an unalterable or non-elective provision of the Companies Act, the unalterable or non-elective provision of the Companies Act shall prevail to the extent of the conflict;
- 1.41. 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
- 1.42. 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
- 1.43. 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 this Memorandum are in any way inconsistent with the provisions of the Companies Act, the provisions of the Companies Act shall prevail, and the provisions of this Memorandum shall be read and interpreted in all respects subject to the Companies Act.
- 2.2. Notwithstanding the omission from this Memorandum of any provision to that effect, the Company may do anything which the Companies Act empowers a company to do.

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.

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, including, but not limited to, by:

- 4.1. maintaining and controlling the aesthetic appearance of the Common Property, including landscaping, buildings and improvements on the Property;

- 4.2. controlling traffic, implementing security measures for the controlled access to the Property;
- 4.3. cutting the grass, trimming the edges, weeding, tidying and watering the private gardens of the freehold residential erven on the Property.
- 4.4. ensure adequate water supply and maintaining quality of water to all areas of the Property;
- 4.5. ensuring that all Common Property water, sewage, storm water, road, irrigation, information, communication, security monitoring, and electrical systems be maintained to acceptable levels;
- 4.6. ensuring that data integrity is maintained for all information pertaining to the business of the Company;
- 4.7. maximising the return on assets under its control, to the benefit of the Members.

5. Members

The following persons shall be Members of the Company:

- 5.1. Any Person who is the registered owner of any Residential Stand.
- 5.2. Any Person who is the registered owner of the Boat Club.
- 5.3. Any Person who is the registered owner of the Golf and Country Club.
- 5.4. The Body Corporate of the Boathouses.
- 5.5. A Member shall include the trustee in an insolvent estate, a liquidator or the trustee elected in terms of the Agricultural Credit Act, 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.
- 5.6. No Person, other than the Members mentioned in clause 5.1 to 5.5 above shall be entitled to be a Member.
- 5.7. Where two or more Persons are registered as owners of a Residential Stand, such registered owners shall be deemed to be one Member.
- 5.8. A Member shall not sell or otherwise agree to alienate any Residential Stand of which it is the registered owner, unless it is a condition of such

agreement that:

5.8.1. the person to whom the Residential Stand 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 Residential Stand to him; so that

5.8.2. the registration of transfer of the Residential Stand to the transferee shall ipso facto constitute the introduction of the transferee as a Member, with the necessary changes.

5.9.A Member may not for as long as he is an owner of a Residential Stand, resign as a Member.

5.10.The Company shall keep a register of its Members at the place and in the manner specified in this Memorandum or the Companies Act.

6. Members’ Right to Information

A Member has the right to inspect and copy, without any charge for any such inspection, the information contained in the following records of the Company as set out in Companies Act

6.1.The annual budget of the Company, which will include a three-year projection of anticipated capital projects;

6.2.This Memorandum and any amendments to it;

6.3.The Rules;

6.4.The names and contact details of the Company’s Directors;

6.5. The reports to annual meetings and annual financial statements;

6.6.The notices and minutes of annual meetings and all communications related to meetings of Members;

7. Levies, Special Levies, and CSOS Contributions

7.1.The Directors shall, from time to time, but will annually be obliged to prepare a budget for the maintenance of the Levy Fund.

7.2.Contributions to the Levy Fund shall be made by the Members in accordance with the following formula and in the following proportions:

- 7.2.1. Upon the inception of each and every financial year of the Company, the Directors will determine the number of Residential Stands.
 - 7.2.2. The budget as prepared in terms of clause 7.1 will be divided by the number of Residential Stands calculated in terms of clause 7.2.1 together with an additional 21 stands (for the Boat Club, Golf and Country Club and Boat Houses). This will produce the annual levy payable by each Member of a Residential Stand for the financial year concerned.
 - 7.2.3. The Golf and Country Club will be deemed to constitute 15 residential stands and will contribute 15 times the annual Levy payable by a Member with a Residential Stand.
 - 7.2.4. The Boat Club will be deemed to constitute 5 Residential Stands and will contribute 5 times the annual Levy payable by a Member with a Residential Stand.
 - 7.2.5. The Boathouses will be deemed to constitute one Residential Stand and will contribute the annual levy payable by a Member with a Residential Stand.
- 7.3. The application of the formula in clause 7.2.2 will annually indicate the levy payable by a Member which owns a Residential Stand and the levy contributions set out in clause 7.2.3 and clause 7.2.4 and clause 7.2.5 by the Golf and Country Club, the Boat Club, and the Boathouses respectively.
- 7.4. Contributions to the Levy Fund by Members shall be made in accordance with clause 7.2.2 provided that:
- 7.4.1. 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
 - 7.4.2. subject to any restriction imposed or direction given at a general meeting of Members, the Directors shall have the power to from time to time, determine and resolve what the additional contribution to the Levy Fund shall be, other than the contribution imposed in terms of clause 7.2.2, of a Member who has consolidated or notorially tied two or more Residential Stands; and
 - 7.4.3. subject to any restriction imposed or direction given at a meeting of Members, the Directors shall have the power to from time to time, determine and resolve what the additional contribution to the Levy Fund shall be, other than the contribution imposed in terms of clause 7.2.2 of Members who are the registered owners of the Bear Village Stands; and

- 7.4.4. 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.
- 7.4.5. The Directors shall, as soon as possible after the imposition of the Levies in terms of Article 7.2, notify each Member in writing of the Levy 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.
- 7.5. The Directors may from time to time propose Special Levies to the Members who are liable in terms of Clause 7.2.
- 7.6. The Special Levy proposal must include the rationale for the Special Levy, the impact on the Levy Fund if the Special Levy is not approved by Members, and the start date and duration of the proposed Special Levy.
- 7.7. Special Levies may only be imposed after being voted on by Members at the AGM or a SGM.
- 7.8. A member shall not be entitled to withhold payment for any reason whatsoever of any Levy or Special Levy due by him to the company.
- 7.9. 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.
- 7.10. Any amount due to by a Member by way of a Levy, Special Levy, or interest thereon shall be a debt due by him to the company.
- 7.11. Where two or more Persons are registered as the owners of a Residential Stand, their liability to pay Levies shall be jointly and severally.
- 7.12. 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.

- 7.13. No Levies, Special Levies, interest, CSOS contributions 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, unless determined so by a court of competent jurisdiction.
- 7.14. A Member's successor-in-title to a Residential Stand shall be liable, with effect from the date upon which he becomes a Member pursuant to the transfer of such Residential Stand, to pay the levy attributable concerned.
- 7.15. 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, Special Levies, interest or CSOS contributions due and owing by such Member to the Company.
- 7.16. 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 the Company, from whatsoever cause arising. 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.
- 7.17. A Member whose Levies are more than 90 days in arrears may have their biometric security access revoked, and will have to sign in at the security gate every time they want to enter the Property. The biometric access of tenants of Residential Dwellings to which this clause applies, may be revoked in the same way.
- 7.18. A Member shall not sell or otherwise agree to alienate the Residential Stand of which it is the registered owner, unless all financial obligations towards the Company have been met by the Member and a Member shall not be entitled to transfer his Residential Stand, 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 have been met.

8. Rules

- 8.1. Subject to the provision of Clause 8.2, Section 15(3) and 15(4) of the Companies Act and to any restriction imposed or direction given at an AGM or SGM of the Company, the Directors may from time to time make, and

from time to time amend, substitute or add to:

- 8.1.1. Rules governing the design and aesthetic control of any building improvements to be erected on the Residential Stands, the Common Property and any facilities which may exist on the Property which are intended for the general use, enjoyment and amenity of the Members. These Rules are contained in the Architectural Rules and Guidelines document;
- 8.1.2. In addition, the Architectural Rules and Guidelines document will contain all Rules with regard to,
 - 8.1.2.1. Any building or renovation operations by Members on a Residential Stand;
 - 8.1.2.2. the aesthetic appearance, design, specifications and maintenance of any Residential Dwellings, Stands and the Common Property;
 - 8.1.2.3. conservation of the natural fauna and flora within the Property and its surrounds;
- 8.1.3. 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. These Rules are contained in the Code of Conduct document.
- 8.1.4. In addition, the Code of Conduct will contain all Rules with regard to,
 - 8.1.4.1. access to the Property;
 - 8.1.4.2. payment of Levies;
 - 8.1.4.3. water usage, fire protection, telecommunications;
 - 8.1.4.4. refuse removal and recycling;
 - 8.1.4.5. re-sales and letting of Residential Dwellings;
 - 8.1.4.6. short-term rentals;
 - 8.1.4.7. advertisements and signboards;
 - 8.1.4.8. gardens and property maintenance;

- 8.1.4.9. estate appearance and appearance of Residential Dwellings and Stands;
 - 8.1.4.10. security services including biometric access;
 - 8.1.4.11. use of golf carts;
 - 8.1.4.12. domestic pets;
 - 8.1.4.13. swimming pools, lakes, dames and water features;
 - 8.1.4.14. boating, no-wake zone, jetties and boat lifts;
 - 8.1.4.15. walking jogging and cycling on the Property;
 - 8.1.4.16. leisure use of the golf course;
 - 8.1.4.17. neighbour relations;
 - 8.1.4.18. access to and use of the Common Property;
 - 8.1.4.19. traffic and parking regulation measures;
 - 8.1.4.20. dispute resolution protocols between Members and/or tenants;
 - 8.1.4.21. a transgressions and fines schedule, and the procedures for the enforcement thereof;
 - 8.1.4.22. generally, any such matters as may be necessary for the harmonious, effective, and beneficial operation and management of the Estate, including the Common Property.
- 8.2. No Rules, as envisaged in Clause 8.1 shall be made, amended or added to have the effect of restricting the right of the owner of the Golf and Country Club or the Boat Club or the Boathouses 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 Common Property.
- 8.3. For the enforcement of any of the Rules made by the Directors in terms hereof, the Directors may:
- 8.3.1. 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 Residential Stand and/or restricting access to the property by the

member), and debit the cost of so doing to the Member concerned, should it be determined that the Member is liable as per legal precedent, which amount shall then be deemed to be a debt owing by the Member concerned to the Company; and/or

- 8.3.2. take such other action, including court proceedings, as they may deem fit.
- 8.4. 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, in accordance with legal precedents, may deem fit.
- 8.5. In the event of any Member disputing the fact that he has committed a breach of any of the Rules aforesaid or disputes a fine imposed, 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.
- 8.6. 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.
- 8.7. 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.
- 8.8. Each Member undertakes towards the company that he shall comply with any Rules made in terms of this Article 8.
- 8.9. For the enforcement of any of the Rules, the Board may:
 - 8.9.1. take or cause to be taken any such steps as it may consider necessary and/or appropriate including instituting legal proceedings, to remedy the breach or contravention by any Member, Resident or the Member's or Resident's Invitee, of any Estate Rule, and regardless of who committed the breach or contravention, debit the cost of so doing to the account of the Member concerned;
 - 8.9.2. All Rules will be posted on the Company's website from time to time and will be available at the HOA Offices for inspection by any Member during normal business hours.

9. Maintenance

The Directors shall have the power, without prejudice to any other rights of the Company:

- 9.1. whenever it could be reasonably considered that the appearance of any Residential Stand, the Common Property or any building thereon or any landscaping, 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;
- 9.2. should a Member on whom a notice in terms of Clause 9.1 is served fail to take such steps as may be specified in the notice within the stated period or fail to lodge a dispute regarding the steps as may be specified in the notice, 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;
- 9.3. from time to time determine the routine maintenance requirements of the Common Property and to instruct the Manager to attend to such maintenance requirements on behalf and at the cost of the Company.

10. Aesthetics

No Member may:

- 10.1. erect any structure on any residential stand or land unless in compliance with the rules referred to in Clause 8; or
- 10.2. 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
- 10.3. erect any fencing or walling on their Residential Stand, other than as prescribed by the Directors from time to time in the rules referred to in Clause 8; or
- 10.4. install television antennae, radio aerials, satellite dishes, generators or solar heating panels, solar electrical panels which are exposed to view from any building on the Property without the prior written approval of the Company, which shall not be unreasonably withheld; or
- 10.5. 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 garages, staff 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;

- 10.6. 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;

11. Amenities

- 11.1. The Company shall have control of all social and recreational facilities and amenities situated on the Common Property 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.
- 11.2. The Company 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.
- 11.3. Any such clubs or associations fall under the jurisdiction of the Company and will form part of the normal activities of the Company. Any funding requirements for such clubs and associations will be the responsibility of the Board of Directors.
- 11.4. The Company may make use of untreated water from the Hartbeespoort Dam and/or treated effluent for the purpose of watering any part of the Common Property.

12. Manager

- 12.1. 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 administrative and operational activities of the Company and to exercise such powers and duties as may be entrusted to a Manager, including the power to collect contributions levied.
- 12.2. The contract with the Manager shall further provide for the appointment to be terminated and the Manager shall cease to hold office if:
 - 12.2.1. where the Manager is a company, an order is made for its provisional or 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

- 12.2.2. 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
- 12.2.3. 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.
- 12.3. 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.
- 12.4. 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.
- 12.5. 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.
- 12.6. 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.

13. Restrictions on the Transfer of Residential Stands

- 13.1. No Member shall transfer the Residential Stand of which he is the registered owner unless:
 - 13.1.1. the Company, under the hand of the Manager or a Director has certified in writing that the Member has fulfilled all his financial obligations in terms of Levies, Special Levies, CSOS contributions and any interest on such amounts to the Company in respect of the period up to and including the date specified in such notice; and
 - 13.1.2. the transfer takes place prior to or on that specified date; and
 - 13.1.3. 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, as approved by the local authority;
 - 13.1.4. the proposed transferee has agreed in writing to become a Member of the Company and such written agreement has been

lodged with the Company;

- 13.1.5. a certificate in compliance with paragraphs 13.1.1 has been issued by the Company to the Member that all Levy, Special Levy, CSOS contributions plus interest 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.
- 13.1.6. The Company may claim from any Member or his estate any arrears of Levy, Special Levy, CSOS contributions or interest due by him to the Company at the time of his ceasing to be a Member.
- 13.1.7. The Company is not liable if a dwelling or other structure on the Residential Stand does not comply with the plans in possession of the Company or local authority. Any purchaser of a Residential Stand must acquaint himself with the approved plans of the Property and must ensure that structures are compliant with the Company's and relevant local authority's requirements.

14. Offices and Business Operations

- 14.1. No Business Operations shall be conducted from any Residential Dwellings on Residential Stands or from any unit of the Boathouses ("Home Office") without the prior written approval of the Board. Business Operations conducted from such Home Office shall comply with
 - 14.1.1. any terms and conditions specified by the Board on approval and from time to time;
 - 14.1.2. any local municipal by-laws and regulations;
 - 14.1.3. such Business Operations may not be a nuisance to neighbours, may not contravene by-laws or any other legislation, may not impact on the residential nature of the estate, may not unreasonably increase traffic flow or require parking in excess of what the residential stand can accommodate.
- 14.2. The Properties on which the Golf Course, the Boat Club, the Club House, village green facilities and recreational facilities are situated, may only be used for the specific purposes for which they were erected.

15. Meetings of Members (In-person and virtual)

- 15.1. The Company shall as soon as possible after the financial statements have been approved by the Board, but within 9 months after the end of each financial year hold a general meeting as its AGM in addition to any

other general meetings during the year, and shall specify the meeting as such in the notices in terms of Section 61 of the Act.

- 15.2. The Board may, whenever it thinks fit, convene a meeting of Members, and a meeting of Members shall also be convened if the Board receives 1 or more written and signed demands calling for such a meeting of Members and -
 - 15.2.1. each such demand describes the specific purpose for which the meeting of Members is proposed; and
 - 15.2.2. in aggregate, demands for substantially the same purpose are made and signed by Members In Good Standing holding at least 10% of the voting rights entitled to be exercised by Members in relation to the matter proposed to be considered at the meeting.
 - 15.2.3. Only Members in Good Standing are allowed to speak and vote at any Company meeting or AGM.
 - 15.2.4. 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.
 - 15.2.5. The Minutes of Members meetings will be published on the Company's website within 6 weeks from the date of the Members Meeting.
 - 15.2.6. Subject to the provisions of this Memorandum or the Companies Act relating to meetings of which special notice is required to be given, an annual general meeting and a meeting of Members called for the passing of a special resolution shall be called by 15 business days' notice in writing at the least, and a meeting of the Members, other than an annual general meeting or a meeting for the passing of a special resolution, shall be called by 10 business days' notice in writing at the least.
 - 15.2.7. 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 date, time and place of the meeting and the record date for the 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, in terms of this Memorandum, entitled to receive such notices from the Company, provided that a meeting of the Members shall, notwithstanding that it is called by shorter notice than that specified in this clause, 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 of Members. The accidental omission to give notice of a meeting of Members to, or the non-receipt of notice of a meeting of Members by, any person entitled to receive notice, shall not invalidate the proceedings of that meeting of Members.

16. Proceedings at Meetings of Members

- 16.1.1. All business that is transacted at a general Meeting, and all that is transacted at the AGM, 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.
- 16.1.2. Business may be transacted at any meeting of members only while a quorum is present.
- 16.1.3. The quorum at a meeting of members shall be 151 (one hundred and fifty-one) members entitled to vote present or represented by proxy.
- 16.1.4. 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.
- 16.1.5. 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.
- 16.1.6. 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

Statues, 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.

- 16.1.7. 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.
- 16.1.8. 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.
- 16.1.9. 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.
- 16.1.10. For an ordinary resolution to be adopted at a Members meeting, it must be supported by more than 50% of the voting rights that were exercised on the resolution, as provided in section 65(7) of the Company's Act.
- 16.1.11. For a special resolution to be adopted at a Members meeting, it must be supported by more than 75% of the voting rights that were exercised on the resolution, as provided in section 65(7) of the Company's Act;
- 16.1.12. The proceedings of all meetings of Members including the AGM shall be mechanically or digitally recorded and kept for a

reasonable period, (or the period to be stipulated), and any member shall be entitled to obtain a copy of the recording on request and subject to the payment of a reasonable administration fee to the Company.

17. Votes of Members

17.1. At any meeting of the Company:

17.1.1. No Member shall be entitled to cast a vote or speak at any Company AGM or SGM until he has paid all outstanding Levies, Special Levies, CSOS contributions and interest thereon.

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

17.1.2.1. 1 (one) vote for each of the freehold residential stands of which he is the owner;

17.1.2.2. 15 (fifteen) votes in respect of the Golf Club and Golf Course of which he is the owner;

17.1.2.3. 5 (five) votes in respect of the boat club of which he is the owner;

17.1.2.4. 1 (one) vote in respect of the Boathouses, of which he is the representative.

17.2. A proxy holder needs not be a Member of the Company.

17.3. 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.

17.4. 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 at any time prior to the time of commencement of the meeting of Members concerned, alternatively handed in on the day of the meeting of Members on registration by the Proxy holder concerned 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 months from the date when it was signed, except at an adjourned meeting unless otherwise specifically stated in the proxy itself.

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

18. Directors

- 18.1. Until otherwise determined by a meeting of Members, the number of Directors shall not be less than 4 (four).
- 18.2. The Company may from time to time at any meeting of Members increase the number of Directors.
- 18.3. 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.
- 18.4. A Director need not be a Member of the Company.
- 18.5. Unless otherwise decided by a Meeting of Members any vacancy occurring in the Board of Directors may be filled by the Directors.
- 18.6. The reimbursement for costs incurred by 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 claim for reimbursement of 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.
- 18.7. The Company 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. The detail of any such remuneration will be recorded in the minutes of the meeting in which the Board resolution was passed, as per 18.6 above.

19. Alternate Directors

- 19.1. 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 still have only one vote.

- 19.2. 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 this Memorandum 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 reimbursements, if any.

20. Borrowing Powers of Directors

- 20.1. The Board may, from time to time, raise or borrow from the Members or financial institutions, such sums of money for the furtherance of the stated objects of the Company as set out in this Memorandum, up to an aggregate maximum of 15% of the annual Levies of the Company paid by Members in the immediately preceding financial year of the Company.
- 20.2. The Board may secure the payment or repayment of any sums of money borrowed or raised in terms of clause 20.1 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 it deems fit.
- 20.3. The Board may propose a Special Levy pursuant to clauses 7.5, 7.6 and 7.7 at any time to repay such sums of money borrowed or raised in terms of clause 20.1 or to re-pay any debt, liability or obligation whatsoever of the Company.

21. General Powers and Duties of Directors

- 21.1. 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 this Memorandum or the Companies Act or by this Memorandum required to be exercised by the Company at any meeting of Members, subject nevertheless to the provisions of this Memorandum and the Companies Act and to such regulations being not inconsistent with this Memorandum or the Companies Act, as may be prescribed by the Company at any such meeting of Members; but no regulation made by the Company at such meeting of Members shall invalidate any prior decisions by any of the Directors which would have been valid if that

regulation had not been made.

- 21.2. The Directors may from time to time appoint the Chairman to the office of Manager for such period and generally on such terms as they may think fit. The appointment of a Manager 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 Manager be terminated.
- 21.3. The Directors may from time to time entrust to and confer upon a Manager 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.
- 21.4. 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 clauses regulating the meetings and proceedings of Directors.

22. Disqualification and Privileges of Directors

A Director shall cease to hold office or can be removed as such if:

- 22.1.1. 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
- 22.1.2. 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
- 22.1.3. he is declared a lunatic or becomes of unsound mind; or
- 22.1.4. he is removed by a resolution of the Company as provided in the Statutes; or
- 22.1.5. he resigns his office by notice in writing to the Company; or

- 22.1.6. 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 percent) 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
 - 22.1.7. he is in arrears with his levies and has failed to rectify the arrears within ten days of being called to do so.
- 22.2. Subject to compliance with section 75 of the Companies Act, no Director or intending Director shall be disqualified by his office from contracting with the Company in any manner whatsoever.
- 22.3. Except if the circumstances mentioned in section 75(2) apply, such Director shall leave the meeting immediately after making disclosure in terms of section 75, must not take part in the consideration of the matter and shall not be regarded as being present at the meeting for the purpose of determining whether a resolution has sufficient support to be adopted, but shall be regarded as being present for purposes of determining whether a quorum is present.

23. Proceeding of Directors

- 23.1. A Director may, and the Manager on the requisition of a Director shall, at any time summon a meeting of the Directors.
- 23.2. The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. The meeting may take place in person or virtually.
- 23.3. 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.
- 23.4. A quorum shall be a majority of Directors.
- 23.5. 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.
- 23.6. Questions arising at any meeting of Directors shall be decided by a majority of votes.

- 23.7. The Chairman shall not have a second or casting vote in the case of an equality of votes.
- 23.8. 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 this Memorandum or the Companies Act as a quorum, the continuing Directors or Director may act only for the purpose of summoning a meeting of the Members to elect additional Directors. If there are no Directors or Director able and willing to act, and no specific provision is made in this Memorandum or the Companies Act for the appointment of Directors, then any two Members may summon a meeting of Directors for the purpose of appointing Members.
- 23.9. Subject to this Memorandum or the Companies Act,, 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 clause.
- 23.10. The Directors may elect a chairperson of their meetings and determine the period for which he is to hold office, but if no such chairperson is elected, or if at any Directors' meeting the chairperson is not present within 15 minutes after the time appointed for holding it, the Directors present may choose one of their number to be chairperson of the Directors' meeting.

24. Validity of Acts of Directors and Committees

- 24.1. 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.

25. Common Property Reserve Fund

- 25.1. As defined in clause 1 of this Memorandum, the Common Property Reserve Fund makes provision for a capital reserve fund of at least

three (3) months' worth of Members' Levy contributions.

- 25.2. The Directors shall allocate such portion of the Members' annual Levies as the Board may determine from time to time, together with any Special Levies specifically designated in terms of this Memorandum to this Reserve Fund.
- 25.3. This reserve shall be invested in a bank account and investment accounts separate to those used for the Company's normal operations, and shall be utilised for major repairs, maintenance, renovations, component replacements and improvements of Company assets or any assets under its control.

26. Notices, E-mail Communication and Website

- 26.1. A notice by the Company to any Member shall be regarded as validly delivered if it is delivered personally to the Member or e-mailed to him by electronic communication at an e-mail address which was provided in terms of clause 26.3.
- 26.2. A Member shall be bound by every notice given to him in terms or clause 26.1, unless the Member challenges the notice within 7 days of receipt.
- 26.3. 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 and e-mail address for entry in the register as set out in clause 5.10 of this Memorandum and as per the Companies Act.
- 26.4. 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 and by e-mail shall be deemed to have been served on the same day of transmittal by hand and by e-mail.
- 26.5. Members choose their Residential Stands as domicilium for service of any legal Proceeding.

27. Indemnity

- 27.1. Every Director, Manager and officer of the Company shall be indemnified out of the funds of the Company against all liability incurred by him as such Director, Manager or officer 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 court.

- 27.2. Every Director, Manager and officer of the Company will not be eligible for such indemnity in cases where the Director, Manager or officer of the Company is suspected of having committed an offence in relation to the business of the Company.

28. Winding-Up

- 28.1. 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.

29. Guarantee

- 29.1. The Company does not have a share capital.
- 29.2. 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 and Boathouses as member for payment of the debts and liabilities of the company.

30. General

- 30.1. The Board, or any individual authorized by the Board, may alter this Memorandum, in any manner necessary to correct a patent error in spelling, punctuation, reference, grammar or similar defect on the face of the document by -
 - 30.1.1. publishing a notice of any alteration made by delivering a copy of such amendments to each Member by ordinary mail or per email; and
 - 30.1.2. filing a notice of the alteration.