

MEMORANDUM OF INCORPORATION

of

MOOIKLOOF GLEN ESTATE HOME OWNERS ASSOCIATION (NPC) Registration Number: 2005/038543/08

(which is referred to in the rest of this Memorandum of Incorporation as
“the **Company**”)

The **Company** is a Non Profit Company with members, with the following objects:

1. The main object of the **Company** is to protect and advance the communal interest of owners, occupants and other users of any of the properties (or any portion or sub-division thereof and/or any **Unit** thereof, and the provision of security services for the residence and all matters of community, nature ancillary thereto), comprising the **Township**, as are more fully defined in this Memorandum of Incorporation, hereunder.

The “**Township**” means the property comprising of Agricultural Residential Properties being Portions 862-958 (both included) of the Farm Rietfontein375- Registration Division JR, Province Gauteng.

2. It is the objective of the **Company** to:
 - 2.1 manage, control, and administer, on behalf of its members, the **common property** which may include, and where required and necessary, all electric, water, reticulation services, sewerage systems, storm water systems, roads, telecommunication and intercom systems and security within the **Township**; and
 - 2.2 to create Rules of Conduct concerning the powers and obligations of members and the use of **common property** and **Units** within the **Township** and to ensure that the terms, conditions and obligations as are imposed in this Memorandum of Incorporation, are enforced equally upon all members and are adhered to for the benefit of the members as a whole and subject to such restrictions and/or conditions, restrictions and/or powers as may be imposed by

the members upon the Directors, in General Meeting, on the basis that all members shall have equal rights and obligations.

Adoption of Memorandum of Incorporation

This Memorandum of Incorporation was adopted by the incorporators of the **Company**, in accordance with section 13 (1), as evidenced by the following signatures made by each of them, or on their behalf.

Name of Incorporator	Identity or Registration #	Signature	Date
1. Jacob Johannes Lubbe			
2. Charl Ingram			
3. David Bouwer			
4. Colin Watt			
5. George Loock			
6. Emilio Moreira			

In this Memorandum of Incorporation –

- (a) a reference to a section by number refers to the corresponding section of the Companies Act, 2008;
- (b) words that are defined in the Companies Act, 2008 bear the same meaning in this Memorandum as in that Act; and
- (c) words appearing to the right of an optional check line are void unless that line contains a mark to indicate that it has been chosen as the applicable option;
- (d) the following words shall, unless the context otherwise requires, have the meanings hereinafter assigned to them (“**the Definitions**”):
 - (i) “**Business day**” : A business day is calculated by:
 - (a) excluding the day on which the first such event occurs;
 - (b) including the day on or by which the second event so

occurs; and

(c) excluding any Public Holiday, Saturday or Sunday that falls on or between the days contemplated in paragraphs (a) and (b) respectively;

(ii) **“Common Property”** : Refers to all common property areas in the **Township**, excluding a Unit, but includes the streets, streetscapes, pavements, fencing, security fencing, entrance gate, reticulation, sewerage, storm water and any equipment or amenities used ancillary to such common property areas;

(iii) **“Managing Agent”** : Means a Managing Agent who shall be an estate agent as defined in the Estate Agents Act, Act 112 of 1976;

(iv) **“RF”** : Means those provisions contained in Part B – Schedule 1;

(v) **“Township”** : Means the property comprising of Agricultural Residential Properties being Portions 862-958 **(both included)** of the Farm Rietfontein375- Registration Division JR, Province Gauteng.

(vi) **“Unit”** : Means an erf, Agricultural Residential Property or any subdivision thereof in the **Township** or a Unit established in terms of the Sectional Titles Act, Act 95 of 1986, within the **Township**;

(vii) The Schedules attached to this Memorandum are part of the Memorandum of Incorporation.

Article 1 – Incorporation and Nature of the Company

1.1 Incorporation

- (1) The **Company** is incorporated as a Non Profit Company, as defined in the Companies Act, 2008.
- (2) The **Company** is incorporated in accordance with, and governed by-
 - (a) the unalterable provisions of the Companies Act, 2008 that are applicable to Non Profit companies;
 - (b) the alterable provisions of the Companies Act, 2008 that are applicable to Non Profit companies, subject to any limitation, extension, variation or substitution set out in this Memorandum; and
 - (c) the provisions of this Memorandum of Incorporation.

1.2 Objects and Powers of the Company

- (1) The Objects of the **Company** are as set out on the cover sheet and, except to the extent necessarily implied by the stated objects, the purposes and powers of the **Company** -

 are not subject to any restriction, limitation or qualification, as contemplated in section 19(1)(b)(ii).

 are subject to any restriction, limitation or qualification, contemplated in section 19(1)(b)(ii), as set out in Part A of Schedule 1.
- (2) The **Company** –

 is not subject to any provision contemplated in section 15(2)(b) or (c).

 is subject to the provision contemplated in section 15(2)(b) or (c), as set out in Part B of Schedule 1.
- (3) Upon dissolution of the **Company**, its net assets must be distributed in the manner determined in accordance with –

- (a) Item 1(4)(b) of Schedule 2 of the Companies Act, 2008; and
- (b) the provisions, if any, set out in Part C of Schedule 1 of this Memorandum.

1.3 Memorandum of Incorporation and Company rules

- (1) This Memorandum of Incorporation of the **Company** -

_____ may be altered or amended only in the manner set out in section 16, 17 or 152(6)(b).

may be altered or amended in the manner set out in section 16, 17 or 152(6)(b), subject to the provisions contemplated in section 16(1)(c), and set out in Part D of Schedule 1.

- (2) The authority of the **Company's** Board of Directors to make rules for the **Company**, as contemplated in section 15(3) to (5) -

is not limited or restricted in any manner by this Memorandum of Incorporation.

_____ is limited or restricted to the extent set out in Part D of Schedule 1.

- (3) The Board must publish any rules made in terms of section 15(3) to (5) -

_____ by delivering a copy of those rules to each Director by ordinary mail.

in accordance with the requirements set out in Part D of Schedule 1.

- (4) The **Company** must publish a notice of any alteration of the Memorandum of Incorporation or the Rules, made in terms of section 17(1) -

_____ by delivering a copy of those rules to each Director by ordinary mail.

in accordance with the requirements set out in Part D of Schedule 1.

1.4 Optional provisions of Companies Act, 2008 do not apply

The **Company** –

does not elect, in terms of section 34(2), to comply voluntarily with the provisions of Chapter 3 of the Companies Act, 2008.

elects, in terms of section 34(2), to comply voluntarily with the provisions of Chapter 3 of the Companies Act, 2008.

1.5 Members of the Company

(1) As contemplated in Item 4(1) of Schedule 2 of the Act, the **Company** has members, who -

are all in a single class, being voting members, each of whom has an equal vote in any matter to be decided by the members of the **Company**.

are either of two classes, being voting and non-voting members, respectively.

(2) The terms and conditions of membership in the **Company** are as set out in Part E of Schedule 1 to this Memorandum.

Article 2 – Rights of Members

2.1 Members' authority to act

If, at any time, every member of the **Company** is also a Director of the **Company**, as contemplated in section 57(4), the authority of the members to act without notice or compliance with any other internal formalities, as set out in that section –

 X is not limited or restricted by this Memorandum of Incorporation.

_____ is limited or restricted to the extent set out in Part A of Schedule 2.

2.2 Members' right to Information

In addition to the rights to access information set out in section 26(1), a member of the **Company** has the further rights to information, if any, set out in Part B of Schedule 2 of this Memorandum of Incorporation.

2.3 Representation by concurrent proxies

The right of a member of the **Company** to appoint persons concurrently as proxies, as set out in section 58(3)(a) –

 X is not limited, restricted or varied by this Memorandum of Incorporation.

_____ is limited, restricted or varied to the extent set out in Part C of Schedule 2.

2.4 Authority of proxy to delegate

The authority of a member's proxy to delegate the proxy's powers to another person, as set out in section 58(3)(b) –

 X is not limited or restricted by this Memorandum of Incorporation.

_____ is limited or restricted to the extent set out in Part C of Schedule 2.

2.5 Requirements to deliver proxy instrument to the Company

The requirement that a member must deliver to the **Company** a copy of the instrument appointing a proxy before that proxy may exercise the member's rights at a members meeting, as set out in section 58(3)(c) –

_____ is not varied by this Memorandum of Incorporation.

X is varied to the extent set out in Part C of Schedule 2.

2.6 Deliberative authority of proxy

The authority of a member's proxy to decide without direction from the member whether to exercise, or abstain from exercising any voting right of the member, as set out in section 58(7) –

X is not limited or restricted by this Memorandum of Incorporation.

_____ is limited or restricted to the extent set out in Part C of Schedule 2.

2.7 Record date for exercise of member rights

If, at any time, the **Company's** Board of Directors fails to determine a record date, as contemplated in section 59, the record date for the relevant matter is –

X as determined in accordance with section 59(3).

_____ as determined in the manner set out in Part D of Schedule 2.

Article 3 – Members Meetings

3.1 Requirement to hold meetings

The **Company** –

is not required to hold any members meetings other than those specifically required by the Companies Act, 2008.

is required to hold members meetings, in addition to those specifically required by the Companies Act, 2008, as set out in Part A of Schedule 3.

3.2 Members' right to requisition a meeting

The right of members to requisition a meeting, as set out in section 61(3), may be exercised –

by at least 10% of the voting members, as provided for in that section.

by at least 20% of the voting members.

3.3 Location of members meetings

The authority of the **Company's** Board of Directors to determine the location of any members meeting, and the authority of the **Company** to hold any such meeting in the Republic or in any foreign country, as set out in section 61(9) –

is not limited or restricted by this Memorandum of Incorporation.

is limited or restricted to the extent set out in Part B of Schedule 3.

3.4 Notice of members meetings

The minimum number of days for the **Company** to deliver a notice of a members meeting to the members, as required by section 62 –

is as provided for in section 62(1).

is _____ business days before the meeting is to begin.

3.5 Electronic participation in members meetings

The authority of the **Company** to conduct a meeting entirely by electronic communication, or to provide for participation in a meeting by electronic communication, as set out in section 63 –

is not limited or restricted by this Memorandum of Incorporation.

is limited or restricted to the extent set out in Part C of Schedule 3.

3.6 Quorum for members meetings

(1) The quorum requirement for a members meeting to begin, or for a matter to be considered are -

as set out in section 64(1) without variation.

as set out in section 64(1) subject to a minimum of _____% in substitution for the 25% required by that section.

(2) The time periods allowed in section 64(4) and (5)

apply to the **Company** without variation.

apply to the **Company**, subject to the variations set out in Part D of Schedule 3.

(3) The authority of a meeting to continue to consider a matter, as set out in section 64(9) –

is not limited or restricted by this Memorandum of Incorporation.

is limited or restricted to the extent set out in Part D of Schedule 3.

3.7 Adjournment of members meetings

The maximum period allowable for an adjournment of a members meeting is –

as set out in section 64(13), without variation.

as set out in section 64(13), subject to the variations set out in Part E of Schedule 3.

3.8 Members resolutions

(1) For any ordinary resolution to be adopted at a members meeting, it must be supported by at least -

50% of the members who voted on the resolution, as provided in section 65(7).

51% of the members who voted on the resolution, despite section 65(7).

the minimum percentage of members voting on the resolution, as set out in Part F of Schedule 3.

(2) For a special resolution to be adopted at a members meeting, it must be supported by at least –

75% of the members who voted on the resolution, as provided in section 65(7).

___% of the members who voted on the resolution, despite section 65(7).

the minimum percentage of the members who voted on the resolution, as set out in Part F of Schedule 3.

(3) A special resolution adopted at a members meeting is –

not required for a matter to be determined by the **Company**, except those matters set out in section 65(11).

required, in addition to the matters set out in section 65(11), for the matters set out in Part F of Schedule 3.

Article 4 – Directors and Officers

4.1 Composition of the Board of Directors

- (1) The Board of Directors of the **Company** comprises the elected Directors, and their alternate Directors each of whom is to be elected -
- (a) is to be appointed in the manner set out in Part A of Schedule 4; and
- (b) serves for a term of 1 (one) year.
- (2) In addition to the appointed Directors –
- X there are no appointed or *ex officio* Directors of the **Company**, as contemplated in section 66(4).
- _____ there are _____ appointed, and _____ *ex officio*, Directors of the **Company**, as contemplated in section 66(4), to be designated in the manner specified in Part B of Schedule 4.
- (3) In addition to satisfying the qualification and eligibility requirements set out in section 69, to become or remain a Director of the **Company**, a person –
- _____ need not satisfy any further eligibility requirements or qualifications.
- X must satisfy the additional eligibility requirements and qualifications set out in Part C of Schedule 4.
- (4) Each appointed Director of the **Company** serves for an indefinite term, until substituted by the person or entity that made the appointment.

4.2 Authority of the Board of Directors

The authority of the **Company's** Board of Directors to manage and direct the business and affairs of the **Company**, as set out in section 66(1) –

is not limited or restricted by this Memorandum of Incorporation.

is limited or restricted to the extent set out in Part D of Schedule 4.

4.3 Board of Directors meetings

(1) The authority of the **Company's** Board of Directors to consider a matter other than at a meeting, as set out in section 74 -

is not limited or restricted by this Memorandum of Incorporation.

is limited or restricted to the extent set out in Part E of Schedule 4.

(2) The right of the **Company's** Directors to requisition a meeting of the Board, as set out in section 73(1), may be exercised by –

at least 25% of the Directors, provided in that section.

at least 25% of the Directors, despite the provisions of that section.

(3) The authority of the **Company's** Board of Directors to conduct a meeting entirely by electronic communication, or to provide for participation in a meeting by electronic communication, as set out in section 73(3); -

is not limited or restricted by this Memorandum of Incorporation.

is limited or restricted to the extent set out in Part F of Schedule 4.

(4) The authority of the **Company's** Board of Directors to determine the manner and form of providing notice of its meetings, as set out in section 73(4) –

is not limited or restricted by this Memorandum of Incorporation.

_____ is limited or restricted to the extent set out in Part F of Schedule 4.

- (5) The authority of the **Company's** Board of Directors to proceed with a meeting despite a failure or defect in giving notice of the meeting, as set out in section 73(5) –

is not limited or restricted by this Memorandum of Incorporation.

_____ is limited or restricted to the extent set out in Part F of Schedule 4.

- (6) The quorum requirement for a Directors meeting to begin, the voting rights at such a meeting, and the requirements for approval of a resolution at such meeting, are –

as set out in section 73(5).

_____ as set out in section 73(5), subject to the variations set out in Part F of Schedule 4.

4.4 Indemnification of Directors

- (1) The authority of the **Company's** Board of Directors to advance expenses to a Director, or indemnify a Director, in respect of the defence of legal proceedings, as set out in section 78(3) –

is not limited or restricted by this Memorandum of Incorporation.

_____ is limited, restricted or extended to the extent set out in Part G of Schedule 4.

- (2) The authority of the **Company's** Board of Directors to indemnify a Director in respect of liability, as set out in section 78(5) –

is not limited or restricted by this Memorandum of Incorporation.

_____ is limited, restricted or extended to the extent set out in Part G of Schedule 4.

- (3) The authority of the **Company's** Board of Directors to purchase insurance to protect the **Company**, or a Director, as set out in section 78(6) –

is not limited or restricted by this Memorandum of Incorporation.

is limited, restricted or extended to the extent set out in Part G of Schedule 4.

4.5 Officers and Committees

(1) The Board of Directors may appoint any officers it considers necessary to better achieve the objects of the **Company**.

(2) The authority of the **Company's** Board of Directors to appoint committees of Directors, and to delegate to any such committee any of the authority of the Board as set out in section 72(1), or to include in any such committee persons who are not Directors, as set out in section 73(2)(a) -

is not limited or restricted by this Memorandum of Incorporation.

is limited, restricted or extended to the extent set out in Part H of Schedule 4.

(3) The authority of a committee appointed by the **Company's** Board, as set out in section 72(2)(b) and (c) -

is not limited or restricted by this Memorandum of Incorporation.

is limited, restricted or extended to the extent set out in Part H of Schedule 4.

Article 5 – General Provisions

5.1 Rules

In accordance with the provisions of Section 15 of the Act, the incorporators adopted the Rules as set out in Schedule 5 hereto, which Rules may from time to time be amended, supplemented or repealed in accordance with the provisions of the Memorandum of Incorporation and the Act. Any Rules made, amended or repealed by the Board of the **Company** from time to time shall be published in accordance with the requirements set out in Part D of Schedule 1.

Schedule 1

Incorporation and nature of the Company

Part A

None.

Part B

Ring Fencing:

Membership of the **Company** is reserved to any person, legal or natural, who is reflected in terms of the Deeds Registries Act, in the records of the Deeds Office concerned, as the registered owner of a **Unit, Agricultural Residential Property,** in the **Township.**

Part C

None.

Part D

1. Any alteration of the Memorandum of Incorporation or the Rules made in terms of Section 17(1) shall be published to the members of the **Company** by delivering a copy of the altered Memorandum of Incorporation or the Rules to each member by ordinary mail *alternatively* by telefax and/or e-mail.
2. Any Rules made from time to time by the **Company's** Board of Directors in terms of Section 15(3) – (5), or any amendment or repeal thereof, shall be published to the members of the **Company** by delivering a copy of those Rules to each member by ordinary mail alternatively by telefax and/or e-mail.
3. In respect of the membership reservation as referred to in Schedule 1, Part B, the Memorandum of Incorporation of the **Company** may only be amended by the written Resolution of all the members of the **Company.**

Part E

1. Qualification for Membership of the Company:

Membership of the **Company** shall be limited to:-

- 1.1 any person (natural person or a juristic entity) who is reflected, in terms of the Deeds Registries Act, No. 47 of 1937, in the records of the Deeds Office concerned, as the registered owner of a **Unit** in the **Township** and who will be bound by the provisions of the Companies Act, 2008, this Memorandum of Incorporation and any Rules made and incorporated hereunder;
- 1.2 where any **Unit(s)** in the Scheme is owned by more than one person, all the registered owners of that **Unit(s)** shall together be deemed to be one member of the **Company** and have the rights and obligations of one member of the **Company**; provided however that all co-owners of **Unit(s)** shall be jointly and severally liable for due performance of any obligations of the **Company**.

2. Application for Membership of the Company:

Membership of the **Company** shall be attained when a member becomes the registered owner of a **Unit** in the **Township** and membership shall terminate when such member ceases to be the registered owner of a **Unit**, as reflected in the Deeds Office concerned.

3. Initial or periodic costs for membership:

All members shall be liable to payment of a monthly contribution, as may be determined by the Board or the members, in terms of this Memorandum of Incorporation from time to time, as may be required for the fulfilment of the objectives of the **Company**.

4. Rights and obligations of members:

- 4.1 A member of the **Company** shall remain a member thereof until he ceases to be the owner of a **Unit** in the **Township** and a member shall therefore not be entitled to resign as a member of the **Company** unless he ceases to be a member of a **Unit** in the **Township**.
- 4.2 Every member shall:

- 4.2.1 further, to the best of his ability, the objects and interests of the **Company**;
- 4.2.2 observe all Rules made by the **Company** or the Directors;
- 4.2.3 pay all levies due by the member, to the **Company**.
- 4.3 No member shall let or otherwise part with occupation of his **Unit**, whether temporarily or otherwise, unless he has agreed in writing with the proposed occupier of such **Unit**, as a *stipulatio alteri* in favour of the **Company** that such occupier shall be bound by all the terms and conditions of this Memorandum of Incorporation and any Rules made thereunder, and such written agreement is lodged with the **Company** prior to the proposed occupier taking occupation of the **Unit** in question.
- 4.4 Every member shall, when he agrees to transfer ownership of his **Unit** in the **Township**, set it as a condition of the agreement of sale and transfer, that the new owner shall apply for membership of the **Company** and be accepted as member of the **Company** and therefore become a member of this **Company**, accepting his/her/its obligations towards the **Company** as member.
- 4.5 No owner of a **Unit** in the **Township** shall be entitled to dispose thereof to any other person without the written consent of the **Company** first having been obtained under the hand of the Secretary, his/her/its authorised agent or the **Managing Agent**, which consent will not be withheld unless:
 - 4.5.1 such owner is in arrear with any levies, penalties, fines or interest or other payment due to the **Company** in terms of the Memorandum of Incorporation or the Rules or otherwise;
 - 4.5.2 such owner is in breach with any of his obligations towards the **Company** in terms of the Memorandum of Incorporation or the Rules and has failed to remedy such breach after having been called upon by the **Company** in writing, to remedy such breach and remain in breach;
 - 4.5.3 the prospective transferee has not applied for membership of the **Company** or has not been accepted as member of the **Company**.
- 4.6 No owner of a **Unit** in the **Township** shall be entitled to pass transfer thereof to any other person until the **Company**, under the hand of its Secretary or his/her/its authorised representative or the **Managing**

Agent, has certified that such owner as at date of transfer has complied with all his/her/its financial and other obligations towards the **Company**.

- 4.7 The provisions of sub-clauses 4.5 and 4.6 shall apply *mutatis mutandis* to any alienation of an undivided share of a **Unit** in the **Township**.
- 4.8 The incorporators of the **Company** will cease to be members of the **Company** upon their written resignation as such; provided that none of the incorporators of the **Company** shall resign until such time that there are sufficient members of the **Company** to replace them as Directors of the **Company**.
- 4.9 The Directors of the **Company** may impose an additional, reasonable fee upon the members of the **Company** for the issuing of the Clearance Certificate as referred to in sub-clause 4.6. The said fee will be determined by the Directors or the **Managing Agent** from time to time and will be subject to ratification / amendment by the **Company** in General Meeting.
- 4.10 Members shall have the rights prescribed by the Act, the Memorandum of Incorporation and any Rules made thereunder, which shall *inter alia* include the following rights:
- 4.10.1 the right to nominate and elect the Directors of the **Company**;
- 4.10.2 the right to receive access to the **Company** records in accordance with the provisions of Section 26 of the Act;
- 4.10.3 the right to receive notice of, attend, speak and vote at General Meetings of the **Company**;
- 4.10.4 the right to receive access to the Financial Statements or related information of the **Company**.

5. Levies:

- 5.1 The Directors may from time to time determine the levies payable by the members for the purpose of meeting all the expenses which the **Company** has incurred, or to which the Directors reasonably anticipate the **Company** will be put in the attainment of its objects or the pursuit of its business.
- 5.2 The Directors shall not less than thirty days prior to the end of each financial year or so soon thereafter as is reasonably possible, publish a notice indicating an estimate, in reasonable detail, of the amount

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

- 5.3 Each notice to each member shall specify the contribution (levy) payable by that member to such expenses and reserve fund.
- 5.4 The annual levy for the ensuing financial year shall become due and payable on the passing of a Board Resolution to that effect, or the publication thereof as envisaged in clause 5.2, but shall be payable in equal monthly instalments, in the form that the Directors may direct from time to time, due in advance on the first day of each and every month of each financial year.
- 5.5 In the event of the Directors for any reason whatsoever failing to prepare and timeously serve the notice referred to in sub-rule 5.2 above, every member shall until served with such notice, continue to pay the monthly levy previously imposed and shall after service of such notice pay the levy specified therein.
- 5.6 Should a member fail to effect payment of contributions levied in terms of these Rules on due date, the full outstanding balance remaining unpaid for the financial year shall become due and payable without notice and/or demand but the Board may at their sole election and discretion agree to a re-payment arrangement with the member concerned and subject to such conditions as the Board may impose.
- 5.7 Upon the change of ownership of a **Unit**, the successor in title becomes liable for the pro-rata payment of contributions from the date of change of such ownership.
- 5.8 The Directors may from time to time impose special levies upon the members in respect of all expenses as are mentioned in sub-rule 5.1 which are not included in any estimate made in terms of sub-rule 5.2, and may in imposing such levies further determine the terms of payment thereof.
- 5.9 Any special levies referred to in sub-clause 5.8, becomes due on the passing of a Resolution to that effect and may be recovered by the **Company** by action in any competent Court having jurisdiction, from the member(s) who were owner(s) of the **Unit(s)** at the time when such Resolution was passed.

- 5.10 The Directors shall be empowered in addition to such other rights as the **Company** may have in law against its members to determine the rate of interest from time to time chargeable upon arrear levies. Should the Directors fail to make any determination of the interest rate, then and in that event, the prescribed rate of interest, as may be applicable from time to time in terms of the Prescribed Rate of Interest Act, Act No. 55 of 1975, shall be applicable and which interest rate at adoption of this Memorandum of Incorporation is 15,5% per annum. Interest shall be calculated monthly in arrears and compounded.
- 5.11 The obligation of a member to pay a levy and interest shall cease upon his ceasing to be a member without prejudice to the **Company's** right to recover arrear levies and interest and penalties, fines and other amounts due to the **Company**. No levies, interest, penalties, fines or other amounts paid by a member shall under any circumstances be repayable by the **Company** upon his ceasing to be a member. A member's successor in title to a **Unit** shall be liable for payment of levies as from the date upon which he becomes the registered owner of the **Unit** as reflected in the Deeds Registry.
- 5.12 No **Unit(s)** registered in a member's name shall be capable of being transferred without a Clearance Certificate as referred to in sub-clause 4.6 first being obtained from the **Company** confirming that all levies, penalties, fines or other amounts due and interest have been paid up to and including date of registration of transfer thereof.
- 5.13 A member shall be liable for and pay all legal costs, including costs as between attorney and client, collection commission, expenses and charges incurred by the **Company** in obtaining the recovery of arrear levies, penalties, fines, interest or any other arrear amounts due and owing by such member to the **Company** or in enforcing compliance with the Act, the provisions of the Memorandum of Incorporation, or the Rules.
- 5.14 The Directors may from time to time determine a charge to be levied against members in arrears, as an administration charge payable to the **Company** or to the **Managing Agent**. Any administration charges so levied shall be subject to review of the members in General Meeting.
- 5.15 Interest imposed by the Directors shall be subject to review of the members in General Meeting and shall not exceed any limitations set by legislation.
- 5.16 The obligation of a member to pay the contributions and interest shall cease upon his ceasing to be a member without prejudice to the **Company's** right to recover arrear contributions, interest, penalties, fines and other amounts due to the **Company**. No contributions,

interest, penalties, fines or other amounts paid by a member shall under any circumstances be repayable by the **Company** upon his ceasing to be a member. A member's successor in title to a **Unit** shall be liable for payment of contributions as from the date upon which he becomes the registered owner of the **Unit** as reflected in the Deeds Registry.

- 5.17 All payments received shall be allocated firstly to interest, legal costs and thereafter towards capital. In the absence of an express allocation by a member, payments will be allocated to the debt newest in time.

Schedule 2

Rights of Members

Part A

None.

Part B

None.

Part C

The requirement in terms of Section 58(3)(c) is varied to the extent that a copy of the instrument appointing a proxy must be delivered to the **Company** or to any other person acting on behalf of the **Company** (including a Board member or duly appointed **Managing Agent**) at any time before commencement of the proceedings or meeting at which the proxy exercises any rights of the member.

Part D

None.

Schedule 3

Members Meetings

Part A

None.

Part B

All members' meetings shall be convened to take place at a location, preferably within the **Township**, but in any event not outside of the Magistrate's Court District within which the **Township** is located.

Part C

None.

Part D

1. If, within 15 (fifteen) minutes after the appointed time for a meeting to begin, the requirements of sub-sections 64(1) or 64(3), if applicable, for that meeting to begin have not been satisfied, the meeting is postponed without motion, vote or further notice, for 1 (one) week.
2. If, within 15 (fifteen) minutes after the appointed time for a meeting to begin, the requirements of sub-sections 64(1) or 64(3), if applicable, for consideration of a particular matter to begin have not been satisfied –
 - (i) if there is other business on the Agenda of the meeting, consideration of that matter may be postponed to a later time in the meeting without motion or vote; or
 - (ii) if there is no other business on the Agenda of the meeting, the meeting is adjourned for 1 (one) week, without motion or vote.
3. The person intended to preside at a meeting that cannot begin due to the operation of sub-section 64(1)(a) or 64(3), if applicable, may extend the 15 (fifteen) minute limit for a reasonable period on the grounds as specified in sub-section 64(5).

Part E

None.

Part F

None.

Schedule 4

Directors of the Company

Part A

Election of Directors:

1. There shall be a Board of Directors of the **Company** which shall consist of not less than 2 (two) and not more than 7 (seven) Directors.
2. Directors shall serve for a term of 1 (one) year and shall be eligible for re-election, provided that one third of the Directors shall be elected by the members at the Annual General Meeting of each year.
3. If a members meeting for the election of Directors is not convened before the expiry of the 1 (one) year term within which a Director serves, then and in that event, such Director(s) shall continue to hold office from the date of his/her/their appointment until the next Annual General Meeting following such appointment and at which meeting each Director shall be deemed to have retired from office but will be illegible for re-election to the Board of Directors at such meeting.
4. Nominations for election of Directors must be delivered to the **Company** or to any other person acting on behalf of the **Company** (including a Board member or duly appointed **Managing Agent**) at any time before commencement of the proceedings or meeting at which the nomination is to be considered.
5. Upon any vacancy occurring in the Board of Directors prior to the next annual general meeting, the vacancy in question shall be filled by a person to be nominated by the Chairman of the Board of Directors for the time being and in his absence or inability, the vice-chairman.
6. Within 7 (SEVEN) days of the holding of each annual general meeting, the Board of Directors shall meet and shall elect from its own numbers, the Chairman and the Vice-chairman, who shall hold their respective offices until the annual general meeting held next after their said appointments, provided that the office of the Chairman or Vice-Chairman shall ipso facto be vacated by the director holding such office upon his ceasing to be a director for any reason.

Part B

None.

Part C

1. In addition to satisfying the qualification and eligibility requirements set out in Section 69, to become or remain a Director of the **Company**, a person must satisfy the following additional eligibility requirements and qualifications:
 - 1.1 be a paid-up member of the **Company** at the time of appointment as Director;
 - 1.2 may not be in breach of any of his/her/its obligations as a member of the **Company**, as stipulated in the Memorandum of Incorporation or the Rules.

2. A Director shall cease to be a Director if:
 - 2.1 by notice in writing to the Company he resigns his office;
 - 2.2 he ceases to be a member of the Company;
 - 2.3 he is absent without the prior or subsequent official leave of the Board from two consecutive meetings of the Board, notice of which he has been given;
 - 2.4 he becomes insolvent;
 - 2.5 he becomes of unsound mind;
 - 2.6 he has a direct or indirect interest in any contract with the Company and fails to declare to the Board the nature of his interest; or
 - 2.7 without the consent of the Board holds an office of profit under the Company.

Part D

None.

Part E

None.

Part F

None.

Part G

None.

Part H

The authority and powers of any committee established by the Board may be restricted or limited by the Board when the committee is so established.

Schedule 5

Rules

Introduction:

These Rules are intended to preserve the prime objectives of the **Company**, namely to protect and advance the communal interest of owners, occupants and users of any of the properties comprising the **Township**, to set uniform standards for development of the properties within the **Township**, to regulate the use by owners, members and occupiers of common areas within the **Township** and to set Rules and standards which will protect the rights of all interested parties and will promote good neighbourliness.

These Rules may be amended from time to time by the Directors of the **Company** in accordance with the provisions of Section 15 of the Act.

These Rules comprise of:

- (A) **Conduct Rules**
- (B) **Security – Access Control Procedure**
- (C) **Contractors, Builders, Owners Policy & Procedures**
- (D) **Building Guidelines**
- (E) **Estate Agent Accreditation Policy**
- (F) **Fines & Penalties**

Definitions:

In these Rules the following words shall, unless the context otherwise requires, have the meanings hereinafter assigned to them:

- (i) **“Board”** : Means the Board of Directors of the **Company** from time to time in office;
- (ii) **“Common Property” or “Communal Property”** : Means all areas comprising the **Township** but excluding the **Units**;
- (iii) **“Managing Agent”** : Means the Managing Agent duly appointed by the **Board** from time to time;
- (iv) **“Member”** : Means a member of the **Company** and, for purposes of these Rules, shall include the

member's visitors, contractors, tenants or other occupants of the member's Unit, servants and employees;

- (v) **"Owner"** : Means the owner or co-owner of a **Unit** in the **Township**;
- (vi) **"Township"** : Means the property comprising Agricultural Residential Properties being Portions 862-958 (both included) of the Farm Rietfontein375- Registration Division JR, Province Gauteng.
- (vii) **"Unit"** : Means an erf or any subdivision thereof in the **Township** or a Unit established in terms of the Sectional Titles Act, Act 95 of 1986, within the **Township**.