

**Companies and Intellectual Property Commission
Republic of South Africa**

Memorandum of Incorporation of

Heron Banks Golf and River Estate

which is referred to in the rest of this Memorandum of Incorporation as “the Company” and which is incorporated in terms of the provisions of the Companies Act, 2008, hereinafter referred to as “the Act”.

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

The main business which the Company is to carry on the promotion, advancement and protection of the communal interests of the owners and occupiers of the properties comprised in the property development known as Heron Banks, to be laid out on the township of Sasolburg Extension 66 and including Portion 1 of the farm De Rust No.370, District of Parys, Province of the Free State, in extent 19,0750 hectares; Portion 2 of the farm De Rust No.370, District of Parys, Province of the Free State, in extent 41,8577 hectares; Remaining Extent of the farm Grootfontein No.328, District of Parys, Province of the Free State, in extent 54,5545 hectares; Erf 1 Vaal Park, District of Parys, Province of the Free State, in extent 1,0104 hectares (exclusive of the street portion up to Outeniqua Street); Erf 1295 Vaal Park, District of Parys, Province of Free State; and Erf 1294 Vaal Park Township, Registration Division Parys RD, Province Free State, and in particular, in so promoting the communal interests, to maintain and regulate the use of the common roadway, to install, operate and maintain security procedures and systems and to maintain and regulate the use of the waterways, the golf course and other facilities at the disposal of owners or occupiers of properties in the development.

The main object of the Company is to carry on is the promotion, advancement and protection of the communal interests of the owners and occupiers of the residential properties comprised in the property development known as Heron Banks, to be laid out on the township of Sasolburg Extension 66 and including Portion 1 of the farm De Rust No.370, District of Parys, Province of the Free State, in extent 19,0750 hectares; Portion 2 of the farm De Rust No.370, District of Parys, Province of the Free State, in extent 41,8577 hectares; Remaining Extent of the farm Grootfontein No.328, District of Parys, Province of the Free State, in extent 54,5545 hectares; Erf 1 Vaal Park, District of Parys, Province of the Free State, in extent 1,0104 hectares (exclusive of the street portion up to Outeniqua Street); Erf 1295 Vaal Park, District of Parys, Province of Free State; and Erf 1294 Vaal Park Township, Registration Division Parys RD, Province Free State, and in particular, in so promoting the communal interests, to maintain and regulate the use of common roadways, to install, operate and maintain security procedures and systems and to maintain and regulate the use of waterways, the golf course and other facilities at the disposal of owners or occupiers of properties in the development.

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 Number	Signature	Date
Marlene Lothian	790509 000 9088		
Hendrik Van Zyl	820430 5198 087		
Gavin Bowes	700131 5014 085		

In this Memorandum of Incorporation –

- (a) a reference to a section by number refers to the corresponding section of the Act;
- (b) words that are defined in the Act 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.

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 Act.
- (2) The Company is incorporated in accordance with, and governed by-
 - (a) the unalterable provisions of the Act that is applicable to Non Profit companies;
 - (b) the alterable provisions of the Act 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

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).
X are subject to any restriction, limitation or qualification, as contemplated in section 19(1)(b)(ii), as set out in Part A of Schedule 1.

- (1) The Company –

X 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.

- (2) Upon dissolution of the Company, its net assets must be distributed in the manner determined in accordance with –

- (a) Item 1(4)(b) of the Schedule 2 of the Act; 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-

X 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.

X 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) –

X 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) –

X 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 the Act do not apply

The Company –

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

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

1.5 Members of the Company

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

X 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 in 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 –

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

X 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) –

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

X 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)-

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

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

2.5 Requirement 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)-

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

X 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 matter 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 meetings other than those specifically required by the Act.

X is required to hold members meetings, in addition to those specifically required by the Act, 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 –

X by at least 25% of the voting members, as provided for in that section.

---by at least ____% 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.

X 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 members' meeting to the members, as required by section 62 –

X 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.

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

3.6 Quorum for members' meetings

(1) The quorum requirements for a members' meeting to begin, or for a matter to be considered are –

X 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) –

X 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.

X 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.

X 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 an ordinary resolution to be adopted as a members' meeting, it must be supported by at least –

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

--- _____% of the members who voted in 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 as a members; meeting, it must be supported by at least –
X 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).
X 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 3 directors and nil 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 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 –
X need not satisfy any further eligibility requirements or qualifications.
---must satisfy the additional eligibility requirements and qualifications set out in Part B of Schedule 2.
- (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 business and affairs of the Company, as set out in section 66(1) –

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

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

4.3 Board of Directors' meeting

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

X 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, as provided in that section.

X at least 66.66% 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), –

X is not limited 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) –

X 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) –

X 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 a meeting, are –

X 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) –

X 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) –

X 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) –

X 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 72(2)(a) –

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

X 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.

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

Article 3 – General Provisions

Schedule 1 – Incorporation and nature of the Company.

Part A

1.

The specific powers of the Company are as set out in Schedule 1 of the Act, and are as follows:

The income and property of the Company howsoever derived shall be applied solely towards the promotion of its main object, and no portion of the income or property of the Company shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise howsoever, to the members of the Company or to its holding company or subsidiary; provided that nothing herein contained shall prevent the payment in good faith of reasonable remuneration to any officer or servant of the Company or to any member thereof in return for any services actually rendered to the Company.

- 1.1 must not directly or indirectly, pay any portion of its income or transfer any of its assets, regardless of the manner in which the income or asset was derived, to any person who is or was an incorporator of the Company, or who is a member or director of the Company, except as reasonable –

- 1.1.1 remuneration for goods delivered or services rendered to, or at the direction of the Company; or payment of, or reimbursement for, expenses incurred to advance a stated object of the Company;
- 1.1.2 as a payment of an amount due and payable by the Company in terms of a *bona fide* agreement between the Company and that person or another;
- 1.1.3 as a payment in respect of any rights of that person, to the extent that such rights are administered by the Company in order to advance a stated object of the Company; or
- 1.1.4 in respect of any legal obligation binding on the Company.

Part B

Not applicable

Part C

2.

- 2.1 Upon its winding-up, deregistration or dissolution, 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 provided that in any event such other association or institutions shall be charitable, educational or ecclesiastical organizations or bodies of a public character within the Republic of South Africa which are themselves exempt from tax.
- 2.2 The liability of members is limited as follows:

Each member undertakes to contribute to the assets of the Company in the event of its being wound up while he is a member or within one year thereafter, for payment of the debts and liabilities of the Company contracted before he ceases to be a member, and of the costs, charges and expenses of the winding up, and for adjustment of the rights of the contributories among themselves of an amount of R1,00 (One Rand)

Part D

3. Amendment of this Memorandum of Incorporation

This Memorandum of Incorporation may only be amended as contemplated in section 16(1)(c) of the Act if a special resolution to amend it has been proposed by the Board of Directors, and duly adopted by the Company in a general meeting or in accordance with section 60(2).

Any alterations to the Memorandum of Incorporation shall be effected in terms of the provisions of Section 17 of the Act.

For the purposes of clarity, it is specifically recorded that in the interpretation of this Memorandum of Incorporation, the “development period” refers to the period from the establishment of the Company

until all land and portions thereof in the scheme have been fully developed and transferred by the developer to members of the Company.

4. RULES

- 4.1 Subject to any restriction imposed or direction given at a general meeting of the Company, the Directors may from time to time make rules which may include conduct rules in regard to:
- 4.1.1 the preservation of the environment including the right to control vegetation and the right to prohibit and/or control the erection of walls, fences and hedges, whether upon or within the boundaries of any land or portion in the scheme;
 - 4.1.2 the right to prohibit, restrict or control the keeping of any animal which they regard as dangerous or a nuisance;
 - 4.1.3 the use, maintenance, repair and replacement of any roadway which vests in the Company and of any services, connections and equipment under or over such roadway; including but not limited to water, storm water and sanitation;
 - 4.1.4 the access to and egress from any land or portion in the scheme;
 - 4.1.5 the right to determine and control all security measures in the scheme;
 - 4.1.6 the placing or fixing of ornamentation or embellishments upon the outside of the properties in the scheme including the power to remove any such objects;
 - 4.1.7 the conduct of any persons within the scheme for the prevention of nuisance of any nature to any member;
 - 4.1.8 the control and collection of refuse;
 - 4.1.9 the architectural design of dwellings and buildings and rules regarding the building and construction thereof; **See Annexure "B" attached hereto in regard to Architectural Guidelines.**
 - 4.1.10 the conduct of building operations and related rules regulating the conduct of owners and builders during the development period and thereafter when effecting alterations to existing dwelling and outbuildings, which rules shall collectively be referred to as the Builders' Rules;
 - 4.1.11 the use of facilities in the scheme and in particular the use of waterways, the golf course and the clubhouse complex, subject to the provisions relating to the Golf Club hereunder;
 - 4.1.12 the furtherance and promotion of any of the objects of the Company and/or for the better management of the affairs of the Company and/or for the advancement of the interests of members and /or residents in the scheme.
- 4.2 It is specifically recorded that the member –owners of the Hotel Site, the Golf Course Site and the Clubhouse Site will be responsible for the levies payable in respect of the Hotel Site, the Golf Course Site and the Clubhouse Site. Such levies will comprise direct expenses relating to such sites, including but not limited to security and access control.

In addition to the above, the Directors :

- 4.3 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. These expenses shall include (but not be limited to) the cost of maintaining all the available facilities, internal and external gardens on the common property, water features, pavements, boundary walls and security systems as well as the costs of manning the guard house.
- 4.4 shall not less than thirty days prior to the end of each financial year, or so soon thereafter as is reasonably possible, prepare and serve upon every member at the address chosen by him 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 nature.
- 4.5 Each notice to each member shall specify the contribution payable by that member to such expenses and reserve fund. Unless otherwise determined by special resolution, the levy payable by each member shall be equal, subject to 4.12 below, and provided that the Directors may from time to time determine the levies payable in respect of communal- sport-or recreational facilities in the scheme.
- 4.6 Every levy shall be payable in equal monthly installments, due in advance by the seventh day of each and every month of each financial year.
- 4.7 In the event of the Directors for any reason whatsoever failing to prepare and timeously serve the estimate referred to in 4.4 above, every member shall, until served with such estimate, continue to pay the levy previously imposed and shall after such service pay such levy as may be specified in the notice, in the manner specified in the notice referred to in 4.4.
- 4.8 The Directors may from time to time impose special levies upon the members in respect of all expenses as are mentioned in 4.3, which are not included in any estimate made in terms of 4.4, and may in imposing such levies further determine the terms of payment thereof.
- 4.9 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, or any other amount payable and owing to the Company.
- 4.10 Any amount due by a member by way of levy and interest shall be a debt due by him to the Company. 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. No levies or interest 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 any land shall be liable as from the date upon which he becomes a member pursuant to the transfer of that land, to pay the levy and interest attributable to that land.
- 4.11 No land, or any interest in such land, in the scheme shall be capable of being transferred without a Certificate first being obtained from the Company confirming that all levies and interest have been paid up to and including date of registration of transfer of such land and all the rules of the scheme have been complied with.
- 4.12 Notwithstanding anything to the contrary contained in this Memorandum of Incorporation, the developer shall not be obliged to pay any levy in respect of unsold erven in the scheme of which it is the registered owner. The levy obligation of the members shall at all times be determined without reference to the

erven in the scheme held by the developer.

- 4.13 No member shall be entitled to the privileges of membership unless and until he shall have paid every levy and other sum (if applicable) which shall be due and payable to the Company in respect of his membership thereof.
- 4.14 It is further recorded, with regard to access, services and private open spaces, that the Conditions of Establishment of the township determine that:
- upon completion of the streets and storm water drainage system, the Company shall be held responsible for the maintenance of these internal services and the Local Authority shall be held responsible for the maintenance of the external services in accordance with the services agreement with the Local Authority;
 - upon completion of the electricity network the Local Authority shall be responsible for the maintenance of both the external and internal electrical installations in accordance with the services agreement with the Local Authority;
 - upon completion of the water network the Company shall be responsible for the maintenance of the internal water network in accordance with the services agreement with the Local Authority;
 - upon completion of the sewer network the Company shall be responsible for the maintenance of the internal network and the Local Authority shall be responsible for the maintenance of the external sewer infrastructure in accordance with the services agreement with the Local Authority;
 - the Company shall be responsible for the maintenance of all private open spaces in the scheme;
 - the member-owners of the Golf Course and Hotel Site shall be responsible for the maintenance and management of the clubhouse complex, golf course, and Hotel Site, respectively.
- 4.15 Access to and from all erven in the development shall be over the designated street erven to afford them access to the public road.
- 4.16 Each and every owner of an erf shall have free access over the street erven to afford them access to the public road.
- 4.17 The Local Authority shall have unrestricted access to the street erven and private open spaces at all times;
- 4.18 The Company guarantees the Local Authority's engineering services departments and its emergency services 24 hour access to the scheme to maintain the Local Authority's installations and provide services to the residents of the development, subject to the security rules of the scheme.

5. CONDUCT RULES

The Company has drafted a set of Conduct Rules that will be applicable to the Complex, attached hereto marked **Annexure "A"**. The aforementioned Rules shall be ratified by an ordinary resolution of the members of the Company at the first general meeting of members and shall become binding on such a date as to be determined by the Directors at the first general meeting.

Subsequent to registration of the Company, and in accordance with the provisions of section 15 of the Act, the Directors, in their discretion, may from time to time amend, alter or repeal rules relating to the governance of the Company.

The enforcement of the rules made from time to time is dealt with as follows:

- 5.1 For the enforcement of any of the rules made by the Directors in terms hereof and for the payment of any debt due to the Company, the Directors may:
 - 5.1.1 give notice to the member or resident concerned requiring him to remedy a breach thereof or make payment within such reasonable period as the Directors may determine;
 - 5.1.2 take or cause to be taken such steps as they may consider necessary to remedy the breach of the rule of which the member or resident may be guilty or recover the debt, and debit the cost of so doing to the member or resident concerned, which amount shall be deemed to be debt owing by the member or resident concerned to the Company;
 - 5.1.3 impose a system of fines or other penalties; provided that the amounts of such fines shall be reviewed and confirmed annually at a meeting of the directors;
 - 5.1.4 take such other action, including proceedings in Court, as they may deem fit.
- 5.2 In the event of the Directors instituting any legal proceedings against any member or resident within the scheme for the enforcement of any of the rights of the Company in terms hereof, the Company shall be entitled to recover, on demand, all legal costs so incurred from the member or resident concerned, calculated as between attorney and own client.
- 5.3 In the event of any breach of the rules by the members of any member's or resident'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 foregoing, the Directors may take or cause to be taken such steps against the person actually committing the breach as they in their discretion may deem fit.
- 5.4 In the event of any member or resident disputing the fact that he has committed a breach of any of the rules, a committee of three Directors appointed by the chairman for the purpose shall adjudicate upon the issue at such time and in such manner and according to such procedure (provided that natural justice shall be observed) as the chairman may direct. Disputes shall at all times be resolved by alternative dispute resolution before recourse is had to the Courts.
- 5.5 Any fine imposed upon any member or resident shall be deemed to be a debt by the member or resident to the Company and shall be recoverable by ordinary civil process.
- 5.6 Notwithstanding anything to the contrary herein contained, the Directors may in the name of the Company enforce the provisions of any rules by civil application or action in a court of competent jurisdiction and for this purpose may appoint such attorneys and counsel as they may deem fit.
- 5.7 The Company may in general meeting itself make any rules which the Directors may make and may in general meeting vary or modify any rules made by it or by the Directors from time to time.
- 5.8 For the enforcement of any of the rules made by the Directors in terms hereof, and notwithstanding the provisions relating to dispute resolution in the above provisions, the Directors may also , with specific regard to the provisions of sections 166 and 167 of the Act :

5.8.1 take such other action, including referring a matter to the Companies Tribunal, or an *accredited entity*, as defined in section 166(1) of the Act, for resolution by mediation, conciliation or arbitration, as they may deem fit.

5.8.2 to apply to court to have a consent order obtained in terms of (i) above made an order of court, together with an award regarding possible damages.

The above provisions provide parties to a dispute with an alternative to applying to court for relief but do not preclude either party from doing so.

5.9 The owner hereby agrees that the unit /s within the Complex is his chosen *domicilium citandi et executandi* where all legal documents and notices shall be served on him or deemed to have been served on him.

5.10 Rules, the amendment, repeal or alteration thereof shall be published in terms of section 15 of the Act, by the Directors, in the following manner:

- a copy of the document shall be delivered to the members of the Company by either email; hand delivery or registered mail and the Directors shall keep a record of the manner in which such delivery was effected as well as the acknowledgement of receipt thereof by the owner.

5.11 The notice of any alteration of the Memorandum of Incorporation or the Rules, made in terms of section 17(1) shall be published in the same manner as set out in 5.10 above.

Part E

6. MEMBERSHIP

6.1 Subject to 6.2 below, membership of the Company shall be limited to the developer in his capacity as such, its authorised nominees, and to any other person who is in terms of the Deeds Registries Act, 1937 reflected in the records of the Deeds Office concerned as the registered owner of any land in the scheme.

6.2 The subscribers to this Memorandum of Incorporation shall be the first members of the Company but they shall cease to be members automatically when the first seven transferees contemplated in 6.1 above are reflected as the registered owners of land in the scheme.

6.3 Where any land in the scheme is owned by more than one person, all the registered owners of that land 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 any land shall be jointly and severally liable for the due performance of any obligation to the Company.

6.4 When a person becomes the registered owner of any land in the scheme, he shall *ipso facto* become a member of the Company, and when he ceases to be the owner of any such land, he shall *ipso facto* cease to be a member of the Company.

6.5 No member shall let or otherwise part with occupation of any land in the scheme, whether temporarily or otherwise, unless he has agreed in writing with the proposed occupier of such erf 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 of the Company, and such written agreement is lodged with the Company prior to the proposed occupier taking occupation of the land in question.

- 6.6 A registered owner of any land in the scheme may not resign as a member of the Company.
- 6.7 The rights and obligations of a member shall not be transferable.
- 6.8 Subject to the obligations of membership prescribed by these Articles, every member shall:
- 6.8.1 further, to the best of his ability, the objects and interests of the Company;
 - 6.8.2 observe all rules made by the Company in general meeting or by the directors;
 - 6.8.3 subject to the provisions of 4.12 above, pay all levies due by the member to the Company in terms of the levy provisions above;
 - 6.8.4 sign all documents and do all things necessary to enable whatever servitudes may be required for services to be registered whether over or in favour of the access portion or any other portion or any other land or portion in the scheme, including the provision of security facilities;
- 6.9 Subject to the rights of membership prescribed by the Act and by this Memorandum of Incorporation, membership shall confer upon each individual member of the following rights:
- 6.9.1 the right to nominate and elect the Directors of the Company;
 - 6.9.2 the right to receive copies of the annual financial statements of the Company;
 - 6.9.3 subject to the provisions of 23.4 below, the right to receive notice of, attend, speak and vote at general meetings of the Company.
- 6.10 Nothing contained in this Memorandum of Incorporation shall prevent a member from ceding his rights in terms hereof, as security to the mortgagee of that member's land in the scheme.
- 6.11 Members shall ensure that they update their personal and contact details with the Directors, who shall keep a register thereof, on a regular basis so as to ensure that all notices, accounts, statements may be delivered promptly.

7. RELATIONSHIP BETWEEN OWNERS AND THE GOLF CLUB

- 7.1 It is recorded that the Golf Club ("the Club") shall be a member of the Company and shall be subject to this Memorandum of Incorporation. As aforementioned, the Club shall pay its direct running costs to the Company and such costs or levies may differ to that payable by other members, and shall be determined as agreed from time to time, between the Directors of the Homeowners' Association and the Club. The Club shall appoint a representative to represent the Club at meetings of the Association.
- 7.2 Each member of the Company shall become a member of the Club upon transfer of an Erf to such member by the Developer, and shall be liable for the annual Club fees applicable as determined by the Club from time to time. No member of the Company shall be entitled to resign as member of the Club.
- 7.3 The Directors shall designate from their number, a director(s) to serve on a management subcommittee formed by the Club, entrusted with the matters of the Company as it affects the Club. The Club and the Company shall have equal representation on this sub-committee and in the event of deadlock the elected chairman of the sub-committee shall have a casting vote. It is recorded that the Club shall remain autonomous and that the Company shall have no direct representation on the Management

Committee of the Club. Members shall, however be represented via their membership of the Club and their rights in terms of the Constitution of the Club, which rights shall be the same as for all other members.

- 7.4 The owner of the properties comprising the Club facilities shall have the proportional number of votes and the rights afforded to all other members of the scheme.
- 7.5 It is the intention that there shall be an ongoing flow of information between the Club and the Company to promote good co-operation and a pleasant working relationship to the mutual benefit of the Club and the Company. It is further recorded that 29% of the monthly levies received from the members of the Company, as determined by its Directors in terms of 4.3 of Schedule 1, shall be transferred to the Club automatically by the fund administrators. It is furthermore recorded that the Company shall only be liable to transfer 29% of the levies aforementioned which have been collected at the date when transfer to the Club is due. The Company shall not be held liable for any levies which may be in arrears.

8. PHASES

- 8.1 The developer intends to develop and market the scheme in phases as the developer deems fit and, for the duration of the development period, the developer shall enjoy unrestricted rights with regard to the marketing of the scheme and, in particular, the right to erect signage within the scheme.
- 8.2 The developer shall, in its absolute discretion, be entitled to include further land in the scheme and to apply for, and subject to, approval by the relevant local authority, vary the layout and/or zoning and/or size and/or boundaries or erven and/or the extent and position of streets comprising the scheme and members shall be bound thereby and shall have no claim of whatever nature against the developer arising there from. Insofar as the consent of a member is required for any of the foregoing, the developer is irrevocably granted a power of attorney to grant any such consents on behalf of members, as may be required.

9. RESTRICTIONS

- 9.1 No member shall apply for the rezoning, sub-division or consolidation of his property with a view to procuring a variation or amendment or substitution of use rights and shall not be entitled to use his property for any purpose other than the permitted use applicable upon establishment of the scheme, without the consent of the Company, and during the development period, the consent of the developer.
- 9.2 No member shall conduct or allow to be conducted any business on its property for purposes other than residential unless the directors have in writing approved the use to which the property is to be put, and the local authority has, to the extent that it may be necessary, authorised such use in terms of applicable laws and regulations and there has been compliance with the following:
 - 9.2.1 any member wishing to conduct a business on its property or who wishes to use its property for purposes other than residential, shall apply in writing to the directors for permission to do so. The directors shall be entitled in their absolute discretion to refuse such application or to approve the application unconditionally or to approve the application subject to such conditions as the directors deem appropriate;
 - 9.2.2 an application in terms of the foregoing shall contain a full description of the proposed business or usage, including but not limited to:

- the type of business;
- the number of fulltime and/or part time staff;
- the times and duration of the business operation, including the number of days per week;
- the projected growth of the business operation;
- whether any alteration to the existing improvements is proposed;
- in which portion the improvements the business activity is to be located;
- the number and type of vehicles which will be regularly involved in the business operation;
- the estimated number of visitors per week resulting from the business operation;
- the estimated number of deliveries necessitated by the business operation;
- the provision to be made for parking;
- the likely impact of the business operation on neighbouring properties and the neighborhood in general.

9.3 The Directors shall not approve any such application unless they are satisfied that the application complies with the following:

9.3.1 the business operation will not detrimentally alter the character of the neighbourhood or affect the privacy and rights of neighbours;

9.3.2 the number of employees involved in the running of the business operation will not exceed 2 (two);

9.3.3 the member will reside permanently on the property in respect whereof the application is made;

9.3.4 members who are affected by the application are in agreement therewith;

9.3.5 adequate provision has been made for parking within the property and the landscaping of the property will be suitable for the type of business contemplated and that no parking of vehicles of the property within the development will result from the business operation;

9.3.6 the granting of the application will not have any significant effect on the density of traffic in the Development;

9.3.7 non-residents will be afforded uncontrolled access into the Development;

9.3.8 no signage will be erected;

9.3.9 the hours of the business operation will be confined to between 08h00 and 18h00 on

weekdays and no business will be conducted on Saturdays, Sundays and proclaimed public holidays.

10. OWN RISK

Any person using any of the services, land or facilities of the Company does so entirely at his own risk and members declare that they are aware of and accept the inherent risks pertaining to living on an active golf course, particularly, but not limiting the generality of the foregoing, flying or wayward golf balls and that no member or its family, or employees or invitees shall have any claim whatsoever against the Company or the directors for death, injury or damage caused as a result thereof.

11. GENERAL

- 11.1 The Directors may serve notice on any member to the effect that the Directors consider the appearance of any land or building in the scheme vested in the member or members as unsightly or injurious to the amenities of the surrounding area. In such notice the Directors shall specify the steps that are to be taken by the member or members to eliminate such unsightly or injurious conditions. Should the member or members fail to comply therewith, within a reasonable time as specified in such notice, the Directors may enter upon the land or building concerned and take such steps as may be necessary and recover the cost thereof from the member or members concerned which cost shall be deemed to be a debt due and owing to the Company.
- 11.2 No person, other than the developer during the development period, shall within the complex commence with the construction of any building or structure or any additions or alterations thereto or any works of whatsoever nature unless he has submitted to the Directors for examination and approval a copy of the plans for such building structure, alterations or addition as the directors may require and before submission of such plans to the Local Authority for approval. The Directors shall have the power, in approving any such plan, to lay down such reasonable conditions as they deem fit.
- 11.3 The Company may require any member to maintain a sidewalk adjacent to his land in the scheme and in the event of such member failing to maintain such sidewalk to the satisfaction of the Company, the Company shall be entitled to take such action as may be necessary for the maintenance of such sidewalk and to charge such member concerned.
- 11.4 The Company may enter into agreements with members for the provision of amenities and services to the members and to levy a reasonable charge in respect of the provision thereof.
- 11.5 Should the Company provide security services and/or other services for members in the scheme, all members shall be obliged to:
- 11.5.1 permit the installation of any such equipment for the purposes of such services as may be determined by the Company from time to time;
 - 11.5.2 make payment of charges raised by the Company in respect of such services;
 - 11.5.3 abide by such terms and conditions of the provisions of such services as may be laid down by the Company from time to time.
- 11.6 Where the boundary of a member's land in the complex also constitutes the boundary of the complex, such member shall be obliged to permit the Company to erect upon such land immediately adjacent to

such boundary, such walling, fencing, barbed wire, or other equipment as the developer and/or the Company may determine. Such member shall not be entitled to interfere in any manner whatsoever with such walling, fencing, barbed wire or equipment to effect such repairs as may be necessary from time to time. Should any such member wishing to erect his own walling, fencing, barbed wire or equipment, he

shall be obliged to erect same within the walling or fencing referred to above and subject to such conditions as the Company may lay down and to permit the Company access to the boundary walling, fencing, barbed wire or equipment concerned.

12. INDEMNITY

Every Director, manager and officer of the Company and every other person (whether an officer of the Company or not) employed by the Company, and the auditor, shall be indemnified out of the funds of the Company against all liability incurred by him as such director, manager, officer or auditor in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted, or in connection with any application under Section 248 in which relief is granted to him by the Court.

13. AMENDMENT

The Company may by special resolution do anything which in terms of the Act may be done only if authorised by its Memorandum of Incorporation and, in particular and without limiting the generality of the foregoing, alter, add to, amend, substitute or repeal its Memorandum of Incorporation in any way permitted by law subject only to any restriction in that regard contained in the Memorandum of Incorporation *and provided further that* during the development period, no amendment as contemplated herein shall be made unless the developer has consented thereto in writing.

14. ASSOCIATION CLAUSE

We, the several persons whose full names, occupations, residential, business and postal addresses are subscribed are desirous of being formed into a Company in pursuance of this Memorandum of Incorporation and we respectively agree to become members of the Company.

Schedule 2 – Rights of Members

Part A

- 15.** Members and Directors of the Company are obliged to act in accordance with the provisions of the relevant clauses contained herein relating to their respective powers and duties, and cannot act without meeting the formal requirements contained in the aforementioned clauses.

Part B

Not applicable

Part C**16.**

- 16.1 A member entitled to vote at a general meeting shall be entitled to appoint one person or more than one person in the alternative to each other as his proxy/ies to attend, speak and vote at a general meeting on his behalf, but not more than one person concurrently.
- 16.2 A proxy need not be a member of the Company.
- 16.3 The instrument appointing a proxy shall be in writing under the hand of the member or his agent duly authorised in writing or, if the member is a body corporate, under the hand of the authorised representative. A proxy need not be witnessed. Whether he is himself a member or not, the holder of a general or special power of attorney given by a member shall, if duly authorised under that power to attend and take part in meetings and proceedings of the Company or companies generally, be entitled to attend general meetings and to vote thereat.
- 16.4 A form of proxy may be issued at the Company's expense only if it is sent to all members who are entitled to attend and vote at the general meeting to which the proxy form relates.
- 16.5 The instrument 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 or authority) shall be deposited at the office not less than forty-eight hours (or at such other place and such lesser period as the Directors may determine in relation to any particular meeting) before the time for the holding of the meeting at which the person named in the instrument proposes to speak and vote. A form of power of attorney or proxy shall be invalid if this provision is not complied with.
- 16.6 Except insofar as the form appointing a proxy indicates otherwise, the appointment of a proxy shall be deemed to include the right to demand or join in demanding a poll and (except to the extent to which the proxy is specially directed to vote for or against or to abstain from voting on any proposal or resolution), the power generally to act for the member giving that proxy at the general meeting in question as the proxy may think fit, including delegating his powers to another person if so specified in the form. Unless the contrary is stated thereon, the form appointing a proxy shall be valid for each adjournment of the general meeting to which it relates.
- 16.7 No instrument appointing a proxy shall be valid after the expiration of 6 (six) months from the date on which it was signed unless specifically stated to the contrary in the instrument of proxy itself.
- 16.8 The instrument appointing a proxy may be in any usual or common form approved by the Directors but shall be so worded that the holder thereof may vote for or against or abstain from voting on any one or more of the resolutions proposed at the general meeting at which the proxy is to be used.

Part D

Not Applicable.

Schedule 3 – Members Meetings**Part A**

17.

- 17.1 The Company shall hold its first annual general meeting within 24 (twenty four) months after the date of its incorporation and shall thereafter hold an annual general meeting not later than 6 (six) months after the end of each financial year of the Company. The Company shall within 6 (six) months after the end of each financial year hold a general meeting as its Annual General Meeting in addition to any other general meetings during that year.
- 17.2 All meetings other than Annual General Meetings shall be called general meetings.
- 17.3 The Directors may, whenever they deem it necessary, convene a general meeting, and a general meeting shall also be convened on the requisition of members made in terms of section 61 of the Act.

18. NOTICE OF GENERAL MEETING

- 18.1 Subject to the provisions of the Act an annual general meeting and a meeting called for the passing of a special resolution shall be called on not less than twenty-one days' notice in writing and any other general meeting shall be called on not less than 15 (fifteen) days notice in writing. Notice in terms of this provision shall be exclusive of the date on which it is served or deemed to be served and exclusive of the date for which it is given.
- 18.2 The notice of a meeting of the Company shall specify
 - 18.2.1 the place;
 - 18.2.2 the date and the hour of the meeting; and
 - 18.2.3 in the case of special business, the general nature of such business;

and shall be given in the manner hereinafter provided or in such other manner as may be prescribed by the Company in general meeting and to such persons as are, under this Memorandum of Incorporation entitled to receive such notices from the Company.

- 18.3 Notwithstanding the provisions of this Memorandum of Incorporation, but subject always to the Act:
 - 18.3.1 a general meeting shall, notwithstanding that it is called by shorter notice than that specified in these articles, 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, who hold not less than ninety five percentum of the total voting rights of all the members;
 - 18.3.2 a general meeting shall be entitled to deal with special business, the general nature of which has not been notified, if it is so agreed by a majority in number of the members having a right to attend and vote at the meeting, who between them hold not less than fifty percentum of the total voting rights of the members.

It is further recorded that:

- 18.4 A notice may be given by the Company to any member, in the manner set out in 18.5 below, at the address if any within the Republic furnished by him to the Company for such purpose.

- 18.5 Notice of every general meeting shall be given in writing and shall be delivered either by hand, or sent by post, or sent by facsimile, or sent by email :
- * to every member except those persons who have not supplied an address contemplated in 18.4 above;
 - * to the auditor for the time being of the Company;
 - * to every director of the Company whether a member or not,
- and no other person shall be entitled to receive notice of any general meetings.
- 18.6 A notice served by post or email shall irrefutably be deemed to have been received and brought to the notice of the addressee at the time of posting or transmission and in proving the giving of the notice by post, it shall be sufficient to prove that the letter containing the notice was properly addressed and posted.
- 18.7 Any notice by the Company shall be signed by a director or by someone authorised by the director.
- 18.8 The accidental omission to give notice of a meeting to or the non-receipt of notice of a meeting by any person entitled to receive notice shall not invalidate the proceedings of that meeting.
- 18.9 The Company shall not be responsible for the loss in transmission of documents sent through the post to the address furnished by any member to the Company for the giving of notices to him, whether or not it was so sent at his request.

19. PROCEEDINGS AT GENERAL MEETINGS

- 19.1 In addition to any other matters required by the Act or in terms of these articles to be dealt with at an Annual General Meeting, the following matters shall be dealt with at every Annual General Meeting:
- 19.1.1 the consideration of the Chairman's report;
 - 19.1.2 the election of directors;
 - 19.1.3 the consideration of any other matters raised at the meeting, including any resolutions proposed for adoption by such meeting and the voting upon any such resolutions;
 - 19.1.4 the consideration of the accounts of the Company for the preceding financial year;
 - 19.1.5 the consideration of the report of the auditors and the fixing of remuneration for the auditors;
 - 19.1.6 any other business laid before it and of which notice has been duly given in terms of this Memorandum of Incorporation or in respect of which notice has been waived in terms of 3.2 above.
- 19.2. Where a company or other body corporate is a member of the Company it may, in the appropriate manner, nominate any person it deems fit to act as its authorised representative at any general meeting and such authorised representative shall be entitled to exercise the same rights and powers which that company would have had at that meeting if it were a natural person and present in person or by proxy.

19.3. Business may be transacted at a general meeting only while a quorum of members is present.

Part B

20.

The Company records that all meetings of its members and/or Directors will be held within the Republic of South Africa, at the time, place and venue as shall be specified in the notices served to the members for such meetings, from time to time.

- 20.1 An Annual General Meeting and a meeting called for the passing of a special resolution, shall be called by 21 (twenty one) clear days notice in writing at least, and an extraordinary general meeting, other than one called for the passing of a special resolution, shall be called for by at least 14 (fourteen) clear days notice in writing. In each case the notice shall be exclusive of the day on which it is given, and shall specify the place, the day and the hour of the meeting, subject to the meeting being held within the Republic of South Africa.
- 20.2 In the case of special business, if any, in addition to any other requirements contained herein, the notice shall contain the general nature of that business, and in the case of a special resolution, the terms and effect of the resolution and the reasons for it shall be given in the manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Directors to such persons as are entitled to receive such notices from the Company: provided that a general meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified herein, be deemed to have been duly called if it is so agreed:
- 20.2.1 In the case of a meeting called as the Annual General Meeting, by all the members entitled to attend and vote thereat; and
- 20.2.2 In the case of a general meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95% (ninety five percent) of the total voting rights of all members.
- 20.3 Insofar as special notice may be required of a resolution, whether by any provision of the Act or these presents, then the provisions of Section 186 of the Act shall apply.
- 20.4 The Association shall comply with the provisions of Section 185 of the Act as to giving of notice and circulating statements on the requisition of members.
- 20.5 The accidental omission to give notice of a meeting or of any resolution, or to give any other notification or present any document required to be given or sent in terms of these presents, or in terms of the Act, or the non-receipt of any such notice, notification or document by any member or other person entitled to receive the same, shall not invalidate the proceedings at, or any resolution passed at, any meeting.

Part C

21.

Directors may choose to send notice of a meeting by electronic means but all meetings shall be held in person only and not by electronic communication.

Part D**22.**

22.1 No business shall be transacted at any General Meeting unless a quorum is present when the meeting proceeds to business. The quorum necessary for the holding of a General Meeting shall be:

22.1.1 during the development period, all the votes of the developer plus 10% (ten percent) of the total number of votes of the other members of the Company entitled to vote for the time being; or

22.1.2 after the development period, 20% (twenty percent) of the total number of votes of all members of the Company entitled to vote for the time being;

provided that at no stage shall a quorum of less than 3 (three) members be present.

22.2 If within half an hour after the time appointed for the general meeting a quorum is not present, the general meeting, if convened upon requisition of the members, shall be dissolved. In any other case the general meeting shall stand adjourned to the same day in the next week at the same time and place, or if that day is not a business day to the next succeeding business day, and if at such adjourned general meeting a quorum is not present within half an hour after the time appointed for the meeting, the members present in person or represented by proxy shall constitute a quorum.

22.3 The chairman of the board of directors shall preside at all general meetings of the Company and, in the event of his not being present within 15 (fifteen) minutes of the scheduled time for the start of the meeting or in the event of his inability or unwillingness to act, the Vice-chairman shall act in his stead or, failing the Vice-chairman, a Chairman appointed by the members present at the meeting.

22.4 The chairman of a general meeting at which a quorum is present may (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 business left unfinished at the meeting at which the adjournment took place. Subject to the Act, when a meeting is adjourned it shall not be necessary to give notice thereof.

22.5 No resolution at a general meeting will require a seconder.

23. VOTING

23.1 At every general meeting:

23.1.1 during the development period, the developer shall have 1 000 (one thousand) votes in addition to votes conferred upon it in terms of 23.1.2 below;

23.1.2 on a show of hands, every member, including the developer, present in person or represented by proxy and if a member is a body corporate, its representative, shall have 1 (one) vote only and on poll every member present in person or by proxy shall be entitled to 1 (one) vote for each portion of land in the scheme registered in his name.

23.2 If land or a portion of land in the scheme is registered in the name of more than one person, then all such co-owners shall jointly have 1 (one) vote.

- 23.3 Every member, including the developer, holding undeveloped land in the scheme shall have 1 (one) vote for each separate piece of land registered in his or its name.
- 23.4 Subject to the provisions of this Memorandum of Incorporation, no person other than a duly registered member who has paid every levy and other sum, if any, which is due and payable to the Company in respect of or arising out of his membership and who is not under suspension, shall be entitled to present or vote on any question, either personally or by proxy, at any general meeting.
- 23.5 At any general meeting a resolution put to the vote shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by any person entitled to vote at the meeting. No poll shall, however, be demanded on the election of the Chairman of the meeting or on any question of adjournment. Unless a poll is demanded, a declaration by the Chairman of the meeting that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or negatived and on entry to that effect in the minute book contemplated in Article 18.1 below shall be conclusive evidence of the fact without proof of the number or proportion of votes recorded in favour of or against such resolution.
- 23.6 If a poll is demanded:
- 23.6.1 the poll shall be taken in such manner and at such time as the Chairman of the meeting shall direct;
 - 23.6.2 the Chairman of the meeting shall be entitled to appoint scrutineers;
 - 23.6.3 no notice of a poll other than an announcement at the meeting at which it is demanded shall be required;
 - 23.6.4 the demand for a poll shall not prevent the continuation of the meeting for the transaction of any business other than the question on which the poll has been demanded;
 - 23.6.5 a demand for a poll may be withdrawn;
 - 23.6.6 the result of a poll shall be deemed to be the resolution of the meeting on any question on which the poll is taken.
- 23.7 In the case of an equality of votes, whether on a show of hands or a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is taken shall not be entitled to a second or casting vote.
- 23.8 Any objection to the admissibility of a vote on a show of hands or on a poll shall be raised at the general meeting at which that show of hands or poll is to take place or takes place. That objection shall be determined by the Chairman of that general meeting and his decision thereon shall be final and binding. Accordingly, any vote not disallowed at that meeting shall be valid for all purposes.
- 23.9 A resolution shall not be invalid because a vote which should not have been included has been taken into account unless, in the opinion of the Chairman of that meeting (whose decisions thereon shall be final and binding), the exclusion of that vote would have altered the result of the voting on that resolution. Conversely a resolution shall not be invalid because a vote which should have been included has not been taken into account unless, in the opinion of the Chairman of that meeting (whose decisions thereon shall be final and binding), in the inclusion of that vote would have altered the result of the voting on that resolution.

Part E

24.

If within half an hour from the time appointed for the holding of a general meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week at the same place and time or at such other place as the Chairperson of the meeting shall appoint, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, the members present shall be a quorum.

Part F

25.

For the sake of clarity:-

- 25.1 An ordinary resolution, including a resolution for the removal of a director, shall be adopted by a simple majority of votes;
- 25.2 A special resolution shall be adopted by 75% of the voting rights exercised on the resolution;
- 25.3 Apart from the provisions set out in section 65(11), a special resolution shall also be necessary when a vote is taken on the expenditure allowance of the Board of Directors, or when same is amended and when deciding upon remuneration if any, of Directors or when same is amended.

Schedule 4 – Directors of the Company

Part A

26. DIRECTORS

- 26.1 Subject to the provisions of the Act, there shall be a Board of Directors of the Company which shall consist of not less than three and nor more than seven directors; provided that during the development period the developer shall be entitled to nominate and appoint not less than 50% of the number of Directors of the Company, the total number of which shall not be less than three Directors.
- 26.2 A Director need not himself be a member of the Company. A Director however, by accepting his appointment to office as such, shall be deemed to have agreed to be bound by all the provisions of the Memorandum of Incorporation of the Company;
- 26.3 During the development period, the developer shall have the right to appoint one director. On the expiry of the development period the Director so appointed by the developer shall be a Director as if elected at an annual general meeting and shall be subject to the provisions of 27 below. Any other Director to be appointed to office shall be elected by the members in general meeting.

27. REMOVAL AND ROTATION OF DIRECTORS

- 27.1 Save as set out in 26.3 above, each Director shall continue to hold office from the date of his appointment until the annual general meeting next following his appointment, at which meeting each

director shall be deemed to have retired from office but will be eligible for re-election to the board of directors at such meeting.

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

- 27.2.1 his estate being sequestrated, whether provisionally or finally or upon his surrendering his estate;
- 27.2.2 his making arrangement or composition with his creditors;
- 27.2.3 his conviction for any offence involving dishonesty;
- 27.2.4 his becoming of unsound mind and being found a lunatic;
- 27.2.5 his resigning from such office in writing;
- 27.2.6 his death;
- 27.2.7 his being removed from office by a resolution of the directors;
- 27.2.8 in the event of his being a member of the Company, his being disentitled to exercise a vote in terms of the provisions of 23.4, above.

27.3 Upon any vacancy occurring in the board of directors prior to the next annual general meeting, the vacancy in question shall be filled by a person nominated by the remaining directors for the time being in office.

28. CHAIRPERSON AND VICE CHAIRPERSON

28.1 The Directors shall within 14 (fourteen) days after each Annual General Meeting appoint from their number a Chairperson and Vice Chairperson, who shall hold their respective offices until the next Annual General Meeting after their said appointments, provided that the office of Chairperson or Vice Chairperson shall *ipso facto* be vacated by a Director holding such office upon his ceasing to be a Director for any reason. No one Director shall be appointed to more than one of the aforesaid offices. In the event of any vacancy occurring in either of the aforesaid offices at any time, the Board of Directors shall immediately appoint one of their number as a replacement in such office.

28.2 Except as otherwise provided, the Chairperson shall preside at all meetings of the Board of Directors and all general meetings of members and, in the event of his not being present within 10 (ten) minutes of the scheduled time for the start of the meeting or in the event of his inability or unwillingness to act, the Vice Chairperson shall act in his stead, or failing the Vice Chairperson, a Chairperson appointed by the meeting.

Part B

Not applicable

Part C

Not applicable

Part D

29. POWERS OF DIRECTORS

- 29.1 Subject to the provisions hereof, the Directors shall manage and control the business and affairs of the Company, shall have full powers in the management and direction of such business and affairs including the right of appointment and dismissal of the managing agent, may exercise all such powers of the Company and do all such acts on behalf of the Company as may be exercised and done by the Company and as are not by the Act or by this Memorandum of Incorporation of the Company required to be exercised or done by the Company in general meeting, subject however to such rules as may have been made by the Company in general meeting or as may be made by the Directors from time to time.
- 29.2 Save as specifically provided herein, the Directors shall at all times have the right to engage on behalf of the Company the services of accountants, auditors, attorneys, advocates, architects, engineers, a managing agent or any other professional firm or person or other employees whatsoever for any reasons deemed necessary by the Directors and on such terms as the Directors shall decide, and the Directors may delegate any or all of their powers to the said managing agent as they may determine, subject to any restriction imposed or direction given at any general meeting of the Company.
- 29.3 The Directors shall further have power to:
- 29.3.1 require that any works being constructed within the scheme shall be supervised to ensure that the provisions of this Memorandum of Incorporation of the Company and the rules are complied with and that all work is performed in a proper and workmanlike manner;
- 29.3.2 issue an architectural and environmental design and maintenance manual in respect of the scheme.
- 29.4 The Board of Directors shall have the right to co-opt onto the board any person or persons, which persons need not be members of the Company.
- 29.5 The Board of Directors shall be entitled to appoint committees consisting of such number of Directors and such outsiders, including the managing agent, as the board may deem fit and to delegate to such committees such of their functions, powers and duties as the board may deem fit, together with the further power to vary or revoke such appointments and delegations as the Directors may from time to time deem necessary.
- 29.6 The Directors shall appoint an Architectural Review Committee which shall consist of:
- 29.6.1 a practising professional architect duly qualified to practice as such on his own account in the Republic of South Africa;
- 29.6.2 two Directors, one of which shall be appointed by the developer during the development period;
- 29.6.3 such number of members as the Directors may determine.

- 29.7 Subject to 29.6.3 above, members of the Architectural Review Committee shall not be required to be members of the Company.
- 29.8 All plans for buildings, outbuildings, structures, additions, alterations and all plans for all works shall be submitted by the Directors to the Architectural Review Committee and the Directors shall not approve any plan in terms of 11.2 above, unless such plan shall first have been approved by the Architectural Review Committee. The Directors may, if they deem fit, delegate to the Architectural Review Committee their functions and powers in terms of 11.2.
- 29.9 The provisions of 29.8 above and 11.2 point shall not apply to the developer during the development period.
- 29.10 The Directors shall cause to be kept such accounting records as are prescribed by the Act and in particular such accounting records as are necessary fairly to present the state of affairs and business of the Company and to explain the transactions and financial position of the trade or business of the Company.
- 29.11 The Company's records shall be kept at the office or such other place or places as the Directors think fit and shall at all reasonable times be open to inspection by the Directors and by past Directors but, in the case of the latter, only in respect of the period during which they held office as Directors.
- 29.12 The Directors shall from time to time determine whether, to what extent and at what times and places and under what conditions or regulations the accounting records of the Company or any of them may be open for inspection by members not being Directors and no member (not being a Director) shall have any right to inspect any accounting record or document of the Company except as conferred by the Act or authorised by the Directors or by the Company in general meeting.
- 29.13 The Directors shall from time to time and in accordance with the provisions of the Act, cause the annual financial statements, group annual financial statements to be prepared and laid before the members in general meeting.
- 29.14 A copy of any annual financial statements which are to be laid before the members at the annual general meeting shall not less than 21 (Twenty one) days before the date of that meeting, be sent to every member and every holder of debentures of the Company and, where required by the Act, also to the Registrar. The provisions of this Article shall not require a copy of those documents to be sent to any person who has not furnished an address to the Company.
- 29.15 An auditor shall be appointed in accordance with the provisions of the Act.

30. PROCEEDINGS OF DIRECTORS

- 30.1 The Directors may, subject to the provisions herein, meet together to attend to their business, adjourn and otherwise regulate their meetings as they think fit.
- 30.2 Subject to the provisions of the Act, the quorum for the holding of any meeting of the Directors shall be one-half of the total number of Directors then in office (reduced, if the total number of Directors then in office is an uneven number, to the nearest whole number) plus one Director; provided that during the

development period the presence of at least two nominees of the developer shall be necessary at all meetings of the Directors in order to form a quorum, and provided further that one of the said nominees shall, if the developer exercises its right in terms of 26.3 above, be the Director so appointed by the developer. Any resolution passed by the Board of Directors shall be carried on a simple majority of all votes cast. Should there be an equality of votes for and against any resolution the resolution shall be deemed to have been defeated.

- 30.3 The Directors shall cause the minutes of each meeting to be kept in accordance with the Act, which minutes shall be reduced to writing and certified as correct by the Chairman as soon as is reasonably possible after such meeting. All minutes of meetings of the Board of Directors shall, after certification, be placed in Directors' Minute Book which shall be kept in accordance with the applicable provisions of the Act. The Directors' Minute Book shall be open for inspection at all reasonable times by any Director, the auditors, the members and the managing agents.
- 30.4 Subject to the provisions herein, the proceedings of any meeting of the Board of Directors shall be conducted in such reasonable manner and form, as the Chairman of the meeting shall direct.

Part E

31.

A resolution signed by all the Directors shall be valid in all respects as if it had been duly passed at a meeting of the Board of Directors.

Part F

Not applicable.

Part G

32.

Directors shall be entitled to be repaid all reasonable and *bona fide* expenses incurred by them respectively in or about the performance of their duties as Directors. Save as aforesaid, Directors shall not be entitled to any remuneration for the performance of their duties in terms hereof, unless the Company in a general meeting decides otherwise by special resolution.

Part H

33.

The Board of Directors' authority to appoint committees as contemplated in section 72 of the Act is not limited or restricted.

