



**REPUBLIC OF SOUTH AFRICA
COMPANIES ACT, 1973**

ARTICLES OF ASSOCIATION OF A COMPANY

NOT HAVING A SHARE CAPITAL AND NOT ADOPTING SCHEDULE 1

(Section 60(1); regulation 18)

Registration No. of Company

RIVERSPRAY LIFESTYLE ESTATE MASTER PROPERTY OWNERS' ASSOCIATION

[Association incorporated under Section 21]

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The articles of Table A contained in Schedule 1 to the Companies Act, 1973 (as amended) shall not apply to the Company.

The articles of the Company are as follows:

1. **DEFINITIONS AND INTERPRETATION**

1.1. In these Articles and the Memorandum of Association the following words shall, unless the context otherwise requires, have the meanings assigned to them hereunder:

“Act”	means the Companies Act, 1973;
“Architect”	means a practising Architect registered as such in terms of the Architectural Profession Act No 44 of 2000;
“Articles”	these Articles of Association as now framed or as from time to time amended by Special Resolution;
“Association”	means the Riverspray Lifestyle Estate Master Property Owners’ Association [Association incorporated under Section 21];
“Auditors”	mean the Auditors of the Association;
“Chairperson”	means the Chairperson of the Director’s Committee;
“Council”	means the applicable local authority with jurisdiction over the Development;
“Design Guidelines”	mean the generic Design Guidelines and/or the Internal Design Guidelines, whichever is applicable to any buildings, improvements and/or landscaping within the Development;
“Development”	means the Riverspray Lifestyle Estate residential property development situated on the property known as: <ul style="list-style-type: none"> (a) Portion 206 of the farm Leeuwkuil 596, situated in the Province of Gauteng, in extent approximately 2,6085 hectares, which is consolidated with the property known as

Portion 168 of the farm Leeuwkuil 596, situated in the Province of Gauteng, in extent 17,0588 hectares;

- (b) Portion 207 (a portion of portion 168) of the farm Leeuwkuil 596, situated in the Province of Gauteng, in extent 9,2034 hectares;
- (c) Portion 208 of the Farm Leeuwkuil 596, registration division IQ, situated in the Province of the Gauteng, in extent 7,5581 hectares;
- (d) Portion 209 of the farm Leeuwkuil 596, registration division IQ, situated in the Province of the Gauteng, in extent 7,6954 hectares;
- (e) Remaining extent of Portion 210 of the farm Leeuwkuil 596, registration division IQ, situated in the Province of the Gauteng;
- (f) any land which may be incorporated into the Development;

consisting of:

- (a) 174 sectional title apartments governed by a body corporate within Riverspray Village;
- (b) 151 single residential erven (plot & plan) within Riverspray Village;
- (c) 269 single residential erven within Riverspray Estate; and
- (d) such other amenities as described herein.

“Development Block”

means a specific portion of the Development identified as a Development Block for the purposes of, *inter alia*, the appointment of the Directors in terms of clause 14, it being the intention that initially there will be 3 (three) Development Blocks, being:

- (a) the block of 174 sectional title apartments governed by a body corporate within Riverspray Village;
- (b) the block of 151 single residential erven (plot & plan) within Riverspray Village; and
- (c) the block of 269 single residential erven within Riverspray Estate.

“Development Period”	means the Period from establishment of the Company until all property within the Development have been sold and transferred by the Developer;
“Director’s Committee”	means the Directors of the Company assembled as a board at which a quorum is present;
“Internal Design Guidelines”	mean the Design Guidelines (if any) to control all aspects of the design of all buildings, improvements and landscaping within a Development Block or Development within the Development, as amended from time to time in terms of these Articles or as required by the Architect or Council from time to time;
“Member”	means a Member of the Association;
“Owner”	means any registered Owner of Property;
“Prime Rate”	means the prime bank overdraft rate of interest charged by Nedcor Bank Limited or its successor/s from time to time and more commonly known as its Prime Rate (in the case of a dispute, the rate may be certified by any manager or assistant manager of the said bank whose certificate shall be final and binding on the Members);
“Property Owners’ Sub-Association”	means any property owners association or body corporate established in respect of a Development Block;
“Private Amenities”	mean all toilets, playground equipment, massy golf course, swimming pool, tennis courts, boardwalks, pedestrian pathways, cycling / running / walking tracks, jetties, fences, walls, landscaping, lawns,

gardens, landscaping of centre road islands / road reserves and other amenities within or situated on the Estate from time to time;

“Property”

means any immovable property within the Development on which property rates may be levied in accordance with any enabling legislation and for the purposes hereof, any Sectional Title Unit within the Development shall also be deemed to be Property;

“Sectional Title Unit”

means a section (as defined in the Sectional Titles Act No 95 of 1986 as amended or any statutory amendment or re-enactment thereof) together with its undivided share in the common property apportioned to that section in accordance with the participation quota of the section;

“Special Resolution”

means a resolution passed at a special general meeting in accordance with the provisions of clause 12.12 below;

“Vice-Chairperson”

means the Vice-Chairperson of the Director’s Committee.

- 1.2. Subject to the preceding clause, any words or expressions defined in the Companies Act, the Sectional Titles Act No 95 of 1986 or the Deeds Registries Act No 47 of 1937 shall, unless the context otherwise requires, bear the same meaning in the Articles.
- 1.3. Any reference to the singular includes the plural and Vice versa. Any reference to natural persons includes legal persons and Vice versa. Any reference to a gender includes the other genders.
- 1.4. Save as otherwise expressly provided for herein, when any number of days is prescribed, same shall be reckoned inclusively of the first and exclusively of the last day.
- 1.5. Reference to “day” shall be construed as any day, irrespective of whether or not it is a business day. Reference to “month” means a Period starting on one day in a calendar month and ending on the day preceding the numerical corresponding day in the next calendar month, except that:

- 1.5.1. if the day preceding such numerical corresponding day is not a business day, that Period shall end on the next business day in that next calendar month if there is one, or if there is not, on the immediately preceding business day; and
- 1.5.2. if there is no numerically corresponding day in the next calendar month, that Period shall end on the last business day in such next calendar month.
- 1.6. Reference to a "calendar month" shall be construed as one or more of the twelve named Periods into which a year is divided in terms of the Gregorian calendar. Reference to a "calendar year" shall be construed as a continuous Period of twelve calendar months beginning on 1 January and ending on 31 December, irrespective of whether or not it is a business day.
- 1.7. No provision of this document or any related document shall be construed against or interpreted to the disadvantage of any party hereto by reason of such party having or being deemed to have structured or drafted such provision.
- 1.8. The *eiusdem generis* rule shall not apply and wherever the term "including" is used following specific examples, such examples shall be interpreted to be illustrative only.
- 1.9. The clause headings have been inserted for convenience only and shall not be taken into account in its interpretation.
- 1.10. This document shall be governed by and construed and interpreted in accordance with the laws of the Republic of South Africa.
- 1.11. In the event of any clause in this document being unenforceable for any reason whatsoever, such clause shall be deemed to be separate and severable.

2. **INTRODUCTION**

- 2.1. In the interpretation of the Articles, regard should be had to the purpose describing the main business and the main object of the Company, in particular the promotion and advancement of communal interests of the Developer, the Association and Owners.
- 2.2. Notwithstanding the omission from these Articles of any provision to that effect, the Company may do anything that the Companies Act empowers a company to do if so authorised by its Articles of Association.

3. **MEMBERSHIP**

- 3.1. By virtue of the provisions of section 19(3) of the Companies Act, the Company shall be deemed to be a public company, and the Company shall therefore at all times maintain a minimum Membership of seven (7) Members.

- 3.2. The following persons, nominated by the Developer, shall be the initial Members of the Company for the purpose of incorporating the Company and representing the interests of the Developer:
- 3.2.1. JOHANNES WYNAND HAYWOOD ID: 711029 5248 082
 - 3.2.2. WILLEM HENDRIK BROOKS ID: 720425 5064 082
 - 3.2.3. CHARLES NIXON MORGAN ID: 700218 5239 083
 - 3.2.4. WESSEL JOHAN VERMEULEN ID: 770902 5013 086
 - 3.2.5. CAREL KEULER BESTER ID: 660807 5094 080
 - 3.2.6. DEREK DU TOIT KOCK ID: 680512 5012 084
 - 3.2.7. WERNER VAN SCHALKWYK ID: 7106215534080
- 3.3. After the incorporation of the Company:
- 3.3.1. And during the Development Period, the persons in Articles 3.2.1 to 3.2.7 (inclusive) or any other person/s nominated by the Developer in their place shall be Members of the Company; and
 - 3.3.2. Membership of the Company shall be compulsory for every registered Owner of all Property within the Development. Such Membership shall commence simultaneously with the registration of transfer of the Property into the name of the transferee.
- 3.4. Save as provided for in 3.3.2, the persons listed in article 3.2 shall, after the Development Period cease to be Members of the Company.
- 3.5. Membership of the Company shall be limited to the registered Owners of Property within the Development provided that where any such Owner is more than one person, all the registered Owners of Property shall be deemed jointly and severally to be one Member of the Company and nominate one Owner to represent them and vote at meetings of the Company .
- 3.6. When a Member ceases to be the registered Owner of Property within the Development, such person shall ipso facto cease to be a Member of the Company.
- 3.7. No Member shall be entitled to sell or transfer any Property within the Development unless it is a condition of the sale and transfer that:

- 3.7.1. the transferee agrees in writing to become a Member of the Company and to be bound by the provisions of these Articles;
- 3.7.2. the registration of transfer of such Property into the name of the transferee shall ipso facto constitute the transferee as a Member of the Company;
- 3.7.3. the Member first obtains the written consent of the Company which consent shall be given provided that:
 - 3.7.3.1. the transferee of such Property agrees in writing to become a Member of the Company and to be bound by the Articles of the Company
 - 3.7.3.2. the Member has paid all levies and any other amounts owing by such Member in terms of this Articles as at the date of registration of transfer of the Property to the transferee; and
 - 3.7.3.3. the Member if he owns a boat house also simultaneously transfers the boat house to another member or to the proposed transferee.
- 3.8. The registered Owner of any Property within the Development shall not be entitled to resign as a Member of the Company.
- 3.9. The rights and obligations of a Member shall not be transferable and every Member shall:
 - 3.9.1. to the best of the ability of such Member further the objects and interests of the Company;
 - 3.9.2. observe all by-laws and regulations made by the Company or the Director's Committee.
- 3.10. No Member ceasing to be a Member of the Company for any reason shall, nor shall any such Member's executor, curator, director, liquidator or other legal representative have any claim upon or interest in the funds or other property of the Company, but this clause shall be without prejudice to the rights of the Company to claim from such Member or the estate of such Member any arrears of levies or any other amounts due from such Member to the Company at the time of such Member so ceasing to be a Member.
- 3.11. On the death, insanity or insolvency or liquidation of any Member then, as from the date of death or a certificate by a recognised medical practitioner certifying the insanity of such Member or the grant of a provisional order of sequestration or liquidation, then such Member shall be represented by his executor, curator or director as the case may be.

4. **CERTIFICATES**

Subject to the provisions of the Act, certificates of Membership may be issued under the authority of the Directors in such manner and form as the Directors may determine from time to time.

5. **OBJECTS OF THE COMPANY**

5.1. The objects of the Company shall be the following:

5.1.1. the maintenance, repair, improvement and keeping order of the Private Amenities within the Development, it being the intention that the responsibilities of the Company shall include (but not be limited to) the following:

5.1.1.1. the maintenance of irrigation systems;

5.1.1.2. the cost of electrical charges to irrigate the open spaces and Private Amenities;

5.1.1.3. the maintenance of fencing and walling in the road reserves;

5.1.1.4. the maintenance of urban beacons within the Development;

5.1.1.5. the control, management and maintenance of open spaces and the Private Amenities within the Development,

5.1.2. the promotion, advancement and protection of the communal and group interests of the Members generally in regard to the Development;

5.1.3. to enter into service agreements and other necessary agreements with third parties, service providers, Council or any other authority or supplier of services in connection with the Development;

5.1.4. to generally do all such things as may be necessary or requisite to give effect to and implement the objects of the Company and to do all such things ancillary or incidental to the objects; provided however, that nothing in this Articles shall in any way detract from or relieve the Council or any other authority from any of its duties and obligations or any services which it is required to provide by law to property Owners or occupiers of any land or buildings within the Development.

5.2. The Company shall also be responsible for the normal maintenance, repair, improvements and upkeep of roads, sewer pipes, water pipes, stormwater pipes, electrical reticulation and street lights.

6. **LEVIES PAYABLE BY MEMBERS**

6.1. Subject to clause 6.2 below, the Director's Committee shall from time to time impose levies upon the Members for the purpose of meeting all the expenses which the Company has incurred, or to which the Director's Committee reasonably anticipates the Company will be put by way of the following:

6.1.1. the promotion, advancement and protection of the communal and group interests of the Members generally in regard to the Development, including security and security systems;

6.1.2. all services rendered to the Company and/or for payment of all expenses necessarily or reasonably incurred in connection with the management and objects of the Company and its affairs;

6.1.3. in order to give effect to and implement the objects of the Company and to do all such things ancillary or incidental to the objects;

6.1.4. the maintenance, repair, improvement and keeping order of the public open spaces and public amenities within the Development, to the extent that such public open spaces and public amenities are not normally maintained, repaired, improved and/or kept in order in the course of the normal services provided by the Council in other areas within its jurisdiction;

and in calculating the levies, the Director's Committee shall take into account the income (if any) earned by the Company.

6.2. The Director's Committee shall, prior to the end of each financial year, prepare an itemised estimate of the anticipated income and expenditure (which may include a reasonable provision for contingencies and a reserve fund for expenditure not of a recurring or an annual nature) of the Company during the ensuing financial year.

6.3. The Director's Committee shall estimate the amount required to be levied upon the Members during such ensuing financial year and impose a levy upon the Members of such estimate amount, to meet:

6.3.1. the estimated amount of the expenses during that year;

6.3.2. the estimated deficiency (if any) as shall result from the preceding year/s;

6.3.3. the amount (if any) to be held in reserve in respect of anticipated future expenditure not of an annual nature; and

6.3.4. all or any other amounts which the Director's have provided for during that year.

- 6.4. The levy payable by each Member in respect of each year shall be calculated by the Director's Committee, taking into account the following factors:
- 6.4.1. the proportion which the extent of such Property bears to the aggregate extent of all Property within the Development Block concerned and/or the Development;
 - 6.4.2. the proportion which the value of the Property (including any improvements thereon) bears to the aggregate value of all Property within the Development Block concerned and/or the Development;
 - 6.4.3. the purpose for which such Property is used;
 - 6.4.4. the traffic flow generated by such Property;
- provided, however, that the Director's Committee may consider any other factor which the Director's Committee, in its sole discretion, may deem relevant.
- 6.5. The Director's Committee shall, as soon as possible after the imposition of the levy in terms of article 6.4, advise each Member in writing of the amount payable by such Member. Such amount shall be payable in equal monthly installments due in advance by the seventh day of each month of the financial year.
- 6.6. The Director's Committee may from time to time impose special levies upon the Members in respect of all such expenses as are mentioned in article 6.1 (which are not included in any estimate) and such levies:
- 6.6.1. may be made in the sum or by such installments and at such time or times as the Director's Committee shall think fit;
 - 6.6.2. may be imposed upon all the Members or only upon such Members who will directly or indirectly receive the benefit from the purpose for which such special levies are required;
 - 6.6.3. may be levied by the Director's Committee *mutatis mutandis* in accordance with all or any of the provisions of article 6.4.
- 6.7. Any amount due by a Member by way of a levy shall be a debt due by such Member to the Company. All levies shall be due and payable in advance by no later than the seventh day of each month. Interest shall be payable on arrear levies at the maximum rate permissible from time to time under the National Credit Act No 34 of 2005 (as amended).

- 6.8. The obligation of a Member to pay levies to the Company shall cease upon such Member ceasing to be a Member of the Company, without prejudice to the right of the Company to recover arrear levies.
- 6.9. No levies paid by a Member to the Company shall under any circumstances be repayable by the Company upon such Member ceasing to be a Member.
- 6.10. A Member's successor in title to any Property shall be liable as from the date upon which such successor becomes a Member pursuant to the transfer of such Property, to pay the levy attributable to the Property.
- 6.11. No Member shall be entitled to any of the privileges of Membership unless and until such Member shall have paid every levy or other amount (if any) which shall be due and payable to the Company in respect of the Membership of such Member.
- 6.12. A Member shall be liable to pay for any or all legal costs, including costs as between attorney and his own client, and collection commission, expenses and charges incurred by the Company in obtaining the recovery of arrear levies or any other arrear amounts due and owing by such Member to the Company together with interest thereon at the rate referred to in article 6.7 above.
- 6.13. Notwithstanding anything to the contrary herein contained -
- 6.13.1. the Developer has provided certain capital infrastructure in or to the Development, the Developer shall not be liable to pay to the Company any levies whatsoever;
- 6.13.2. the Developer may, however, in its sole discretion, elect to pay such levies to the Company as it may determine; and
- 6.13.3. the Developer may, should the Company require funding, lend to the Company such amounts, on such terms and at such interest rates as the Developer and the Company may agree.

7. **RULES AND GUIDELINES**

- 7.1. Subject to any restriction imposed or direction given at a general meeting of the Company, the Directors may from time to time make, and from time to time amend or add to, rules and guidelines including, without any limitation, rules and guidelines, in regard to:
- 7.1.1. The design, development and aesthetic controls relating to buildings in the Development as well as landscaping, control, use, safety and cleanliness of the Development;

- 7.1.2. The security, preservation of the natural environment, vegetation, parking, signage, advertising, exterior finishes and maintenance of any Property or building in the Development;
 - 7.1.3. The maintenance of all roads, pavements, buildings, outbuildings, structures, electricity, water and sewerage, reticulation, buildings as well as landscaping of any Property;
 - 7.1.4. The right of reasonable access to any Property in order to effect the maintenance of any matters referred to in Articles 7.1.1 to 7.1.3 (inclusive);
 - 7.1.5. The erection on any Property of billboards or any other form of advertising pursuant to which goods and/or services of third parties are advertised;
 - 7.1.6. The erection on any Property or common property of any mobile/cellular telephone or wireless internet antenna, tower or substation or other telecommunication or technical device;
 - 7.1.7. The conduct of Owners and occupiers of Property (as well as their respective family members, pets, visitors, contractors and employees) so as to ensure good neighbourliness and a harmonious living environment;
 - 7.1.8. The use and enjoyment of Private Amenities within the Estate; and
 - 7.1.9. The furtherance and promotion of any object of the Company and/or for the better management of the affairs of the Company and for the advancement of the interests of Members and Owners of Property in the Development.
- 7.2. For the enforcement of these Articles and any of the rules and guidelines made by the directors in terms thereof, the directors may -
- 7.2.1. give notice to any Member requiring such Member to remedy any breach within such period as the directors may determine;
 - 7.2.2. after a Member has failed to remedy a breach in terms of the notice referred to in article 7.2.1, take or cause to be taken such steps as they may consider necessary to remedy the breach of the rule of which the Member may be guilty, and debit the cost of so doing to the Member concerned, which amount shall then be deemed to be a debt owing by the Member concerned to the Company;
 - 7.2.3. impose a system of fines or other penalties. The amounts of such fines or penalties shall be reviewed and confirmed by the directors at least once in every financial year of the Company; and/or

- 7.2.4. take such other action, including court proceedings, as they may deem fit.
- 7.3. In the event of any breach of the rules by a Member or his guests, or his lessee/s, 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.
- 7.4. In the event of any Members disputing the fact that he has committed a breach of any of the rules aforesaid, a Committee of three directors, appointed by the Chairperson of the Company, shall adjudicate upon the issue at such time and in such manner and according to such procedure as the Chairperson may direct.
- 7.5. Notwithstanding the foregoing, the directors may in the name of the Company enforce the provisions of any rules by proceedings in a court of competent jurisdiction and for his purpose may appoint such attorneys and counsel as they may deem fit.
- 7.6. In the event of the directors instituting any legal proceedings against any Member or lessee of any Property for the enforcement of any of the rights of the Company in terms hereof, the Company shall be entitled to recover all legal costs so incurred from the Member concerned, calculated as between attorney and client.
- 7.7. Any fine imposed upon any Member shall be deemed to be a debt by the Member to the Company and shall be recoverable by ordinary civil process.
- 7.8. It shall be the duty of the manager, or such other person or body as may be empowered by the directors, to ensure compliance by the Members with the rules, and to this end to issue such notices or do such things as may be necessary or requisite.
- 7.9. Each Member undertakes to the Company that he shall comply with any rules and/or guidelines made in terms of this article 7.

8. **SPECIFIC PROHIBITIONS**

- 8.1. Without the prior written approval of the directors of the Company, no Member shall be entitled –
- 8.1.1. in respect of a sale of a Property in the Development (and to the extent that the Member requires the services of an estate agent or property broker), to use estate agents and/or property brokers other than those whose particulars appear in the Company's list of approved estate agents and/or property brokers, which list may be amended by the directors of the Company from time to time;

- 8.1.2. to subdivide or consolidate or re-zone or modify any rights applicable to any Property of which he is the Owner or lessee;
- 8.1.3. to any exclusive use of any of the common areas including, without any limitation, any exclusive use of any parking situated on any road or on any area forming part of any of the common areas;
- 8.1.4. to erect on any Property or any common area any mobile/cellular telephone antenna, tower or substation or other telecommunication or technological device in this regard, it is recorded that only the Company shall be entitled to erect (or to permit the erection thereof by a third party approved by the Company) on any common area any mobile/cellular telephone antenna, tower or substation, or other telecommunication or technological device and the Company shall be entitled to all rental income and any other income generated therefrom.

9. **MANAGER AND OTHER SERVICE PROVIDERS**

- 9.1. The Company may from time to time appoint a manager in terms of written contract, on such terms and conditions as it may in its sole discretion think appropriate, to control, manage and administer the common areas as well as to exercise such powers and duties as may have been delegated to the Company by the directors, including the power to collect levies and all other amounts owing to the Company.
- 9.2. The Manager shall keep full and accurate records of their administration and shall report to the Company on all matters which in its opinion may detrimentally affect the value or amenity of the common areas.
- 9.3. It is recorded that Company intends to appoint other service providers in terms of written contract and such terms and conditions as it may in its sole discretion think appropriate, to deal *inter alia* with the following matters:
 - 9.3.1. Sales of Property;
 - 9.3.2. Letting of Property;
 - 9.3.3. Security;
 - 9.3.4. Landscaping; and
 - 9.3.5. Maintenance.

10. **DESIGN REVIEW COMMITTEE, CONSTRUCTION OF BUILDINGS AND BUILDING DEPOSIT**

- 10.1. The Developer (or its authorised agent) shall constitute a Design Review Committee comprising of an Architect appointed by the Developer, and any such other persons and professionals as the Developer may, in its sole discretion, deem appropriate.
- 10.2. The Design Review Committee shall, in its sole discretion, determine and implement, inter alia -
- 10.2.1. Architectural Guidelines, which shall apply to the design of buildings and signage to be erected on any Property, the specifications, materials and finishes to be used in such erection as well as all matters incidental thereto;
- 10.2.2. a list of plants which are the only plants permitted to be used in the landscaping of any Property and common areas,
- and which Architectural Guidelines and List of Permitted Plants may be amended by the Design Review Committee from time to time.
- 10.3. The Architectural Guidelines and list of Permitted Plants are intended to enhance the overall quality and aesthetics of the Development and the buildings erected thereon.
- 10.4. Save as may be otherwise agreed in writing by the Developer, the Member shall ensure that-
- 10.4.1. all buildings and signage constructed / erected in the Development, and all alterations to such buildings and signage, shall comply with the Architectural Guidelines, as determined from time to time by the Design Review Committee;
- 10.4.2. in developing the Property and constructing buildings thereon he complies with any statement of intent relating, inter alia, to the manner in which the Property shall be developed and the townplanning controls which apply to the particular Property, a copy of which statement and controls may be obtained by the Member from the Design Review Committee;
- 10.4.3. he utilises in the construction of the buildings on an Property no more bulk to which such Property is then entitled in terms of the applicable Town Planning Scheme.
- 10.5. Only plants listed in the list of permitted plants shall be planted on a Property and the common areas, which list shall be as determined from time to time by the Design Review Committee.

- 10.6. Prior to the commencement of any building or alteration operations on any Property and prior to a Member submitting any building plan to the relevant local authority, a Member shall–
- 10.6.1. submit the design documents to the Design Review Committee for approval;
 - 10.6.2. when submitting the design documents to the Design Review Committee for approval, pay to the Company the required deposit amount as may be determined from time to time by the directors of the Company;
 - 10.6.3. advise the Company who the building contractor will be and ensure that the contractor signs the builders rules and regulations and pay the building deposit; and
 - 10.6.4. otherwise comply with the Contractor's Code of Conduct.
- 10.7. The building deposit shall be retained by the Company in trust until completion of the buildings to the reasonable satisfaction of the controlling Architect.
- 10.8. On completion of all building Activities on the Property, the Company shall, if the controlling Architect is satisfied that –
- 10.8.1. no damage has been caused to any of the common areas by the Member or any of his contractors;
 - 10.8.2. the buildings have been constructed / erected in accordance with the design documents approved by the controlling Architect,
- release the building deposit to the Member. The determination of whether or not any damage has been caused by the Member or any of this contractors shall be made by the controlling Architect in his sole discretion and the Member shall be bound by such determination.
- 10.9. The Company shall have the right, without any prejudice to any other rights it may have, to remove from an Property at the Member's cost anything which has been erected in contravention of the provisions in these Articles.
- 10.10. Should any common area have been damaged due to the building Activities on a Property, then -
- 10.10.1. the Company shall continue to hold the building deposit and the relevant Member shall, within 15 days of having been requested to do so in writing by the controlling Architect, do all such things as may be necessary to repair such damage to the reasonable satisfaction of the controlling Architect;

- 10.10.2. should the repairs effected by the relevant Member not be to the reasonable satisfaction on the controlling Architect, then the controlling Architect shall be entitled to appoint an independent contractor/s to repair the damage and the building deposit shall then be utilized to defray the cost of effecting such repairs as charged by the independent contractor/s;
 - 10.10.3. should the damage caused by the Member be such that the building deposit is insufficient to cover the costs of the repairs then the directors of the Company shall be entitled to claim the excess costs of the repairs from the Member and the Member shall pay such excess within 15 days of having been requested to do so in writing by the directors of the Company.
- 10.11. After the Design Review Committee has approved the design documents relating to any buildings and signage to be constructed / erected on any Property, the relevant Member shall –
- 10.11.1. as soon as possible, obtain first from the Company and then from the relevant local authority the required consents and approvals relating to the design documents and all other documents and plans as may be required to be submitted to such local authority in terms of any applicable legislation, registration ordinances or any other law;
 - 10.11.2. not commence any building operations on any Property prior to the approvals envisaged in article 10.11.1 having first been given by the Company and the relevant local authority;
 - 10.11.3. ensure that the buildings constructed / erected on any Property are in accordance with the design documents approved by the Design Review Committee and the relevant local authority;
 - 10.11.4. subject to 10.11.5, ensure that the construction of buildings is commenced within 60 months from the date of first registration of transfer of ownership of the particular Property from the Developer. The controlling Architect shall determine, in its sole discretion, whether or not the construction of buildings has commenced;
 - 10.11.5. practically complete the construction of the buildings within 6 months from the date of commencement of construction of the buildings. Should the completion of the buildings be delayed by *vis major*, or by reason of civil commotion, political riots, strike or lock out and Periods in respect of legitimate reasons in terms of the current standard JBCC contract (all as certified by the controlling Architect) then the 6 month period, or the extended period granted by the

Developer in terms of article 10.12, as the case may be, shall be extended by a period equal to that by which any of the said events persisted, as certified by the controlling Architect;

10.11.6. on practical completion of buildings on an Property, deliver to the controlling Architect -

10.11.6.1. a practical completion certificate; and

10.11.6.2. a certificate issued by an Architect in which the Actual bulk of the practically complete building is stated.

10.12. A Member may in writing request the Developer to extend either or both of the periods referred to in Articles 10.11.4 and/or 10.11.5. In granting such extension the Developer, in its sole discretion -

10.12.1. may take cognisance of the size, scale and nature of the buildings to be or being erected on the Property;

10.12.2. may impose, in respect of each request for an extension allowed by the Developer, a charge equal to 0.75% of the purchase price (excluding VAT on the purchase price) paid by the Member for the particular Property, which charge shall be payable for each month (or part thereof) allowed as an extension by the Developer, or such other amount as may be determined by the Developer from time to time. The Member shall make payment to the Developer within 5 business days of the granting by the Developer of any such extension, and failing timeous payment of such charge the grant of the extended period shall lapse and be of no force or effect.

10.13. Reference to "the Developer" in clause 10.12 shall be understood to refer to the Company in the event that the Developer is no longer in existence.

10.14. The home owner building first wil construct all neighbouring walls required by DRC. The cost of the construction of these walls will be communicated with the DRC and confirmed by the HOA appointed QS. Walls are seen as part of the house construction and no clearance certificate will be issued if not completed as per approved plans.

New neighbours will all be responsible for 50% of the cost of their neighbouring walls. This cost will be calculated from the approved costing of the QS and at an 8% escalation per annum or as amended from time to time by the HOA appointed QS.

Cost for the wall will be paid to the current neighbour whom has erected the initial wall. This payment must be made before the DRC will issue a Certificate of Compliance or an Occupational Certificate for the new neighbours house.

Should the owner who has erected the initial walls sell the house, before all money could be recuperated, then the seller should be reimbursed by the new buyer, and the rule of refunding will automatically be transferred to the new buyer upon registration of the property.

11. **GENERAL MEETINGS AND CHAIRPERSON**

- 11.1. General meetings of Members of the Company shall be held, in accordance with the provisions of the Act, at such times and places as may be determined by the directors. The notice of a general meeting shall state the place, day and hour of, and the nature of the business to be transacted at the general meeting.
- 11.2. A Member shall be entitled to appoint a proxy to attend, speak and vote in his stead at any general meeting in accordance with the Act.
- 11.3. Notwithstanding anything to the contrary herein contained, during the Development Period, one of the Developer's nominees referred to in article 3.2 shall be the Chairperson at meetings of Members of the Company and Chairperson at meetings of directors of the Company.
- 11.4. After the Development Period, the Members shall at each annual general meeting elect from the body of directors a Chairperson and a deputy Chairperson.
- 11.5. The Chairperson (or if he is not present and willing to Act, the deputy Chairperson) shall be the Chairperson of each general meeting of Members and each meeting of directors, provided that if no Chairperson or deputy Chairperson is present and willing to Act then -
- 11.5.1. in the case of a general meeting, the Members present shall elect one of the directors or, if no director is present and willing to Act, a Member to be Chairperson of that general meeting; and
- 11.5.2. in the case of a directors meeting, the directors present shall elect one of the directors present and willing to Act, to be Chairperson of that directors' meeting.

12. **PROCEEDINGS AT GENERAL MEETINGS**

- 12.1. Unless a general meeting determines that there shall be a greater quorum, a quorum for a general meeting shall be -

- 12.1.1. a minimum of six Members of the Company personally present; or
- 12.1.2. six Members who are present in person, by authorised representative or by proxy who together are entitled to vote one-third in value of the total of the total number of votes in respect of all the Property, provided that three Members must be present in person,

provided further that during the Development Period a quorum shall include the persons referred to in article 3.2.

- 12.2. Should a quorum not be present within thirty minutes after the appointed time for a general meeting, the general meeting, if convened by or on a requisition of Members, shall be dissolved and in any other case shall stand adjourned to the same day (or if that day is a public holiday, the next business day) in the next week at the same time and place, and a quorum at the resumption of the general meeting shall be the Members present in person at that meeting.
- 12.3. The Chairperson of a general meeting shall, if obliged to do so in terms of the Act, and may, in his discretion in any other circumstance, adjourn that general meeting from time to time.
- 12.4. Subject to the provisions of the Act, it shall not be necessary to give notice of any adjournment of a general meeting.
- 12.5. No business shall be transacted at the resumption of any adjourned general meeting other than the business left unfinished at the general meeting from which the adjournment took place.
- 12.6. At any general meeting, each Member who is present in person, by authorised representative or by proxy shall, in respect of each Property, have 1 (one) vote, save that during the Development Period -
 - 12.6.1. the Developer shall have such number of votes as is equal to the total votes in relation to all of the Property in the Development plus one additional vote; and
 - 12.6.2. neither the Members nor the Company shall pass or register a Special Resolution unless the Developer has voted in favour of that Special Resolution.
- 12.7. No objection shall be taken to the admission or rejection of any vote except at the general meeting at which the vote in dispute is cast, or, it is adjourned, the resumption thereof. The Chairperson of that general meeting or resumed general meeting shall determine any issue raised by such objection and his determination shall be final and binding.

- 12.8. A resolution in writing signed by all Members entitled to receive notice of and to attend and vote at a general meeting shall be as valid and effective as if a meeting had been properly called and held. Any such resolution may consist and shall be deemed to have been passed on the date on which it was signed by the last Member who signed it, unless a statement to the contrary is made in that resolution.
- 12.9. Notwithstanding anything to the contrary herein contained, no person other than a Member duly registered and who shall have paid every levy and other sum, if any, which shall be 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 be present or to vote on any question, either personally or by proxy, at any general meeting.
- 12.10. At any general meeting a resolution put to the vote at the meeting shall be decided by way of ballot, substantially in the form of annex "B" hereto. A scrutineer shall be elected to determine the result of the voting. In the case of an equality of votes, the Chairperson of the meeting shall not be entitled to a second or casting vote and the resolution shall be deemed to have been defeated.
- 12.11. An ordinary resolution (that is a resolution other than a Special Resolution) or the amendment of any ordinary resolution shall be carried on simple majority of all votes cast. Should there be an equality of votes for and against any ordinary resolution, the ordinary resolution shall be deemed to have been defeated.
- 12.12. A special resolution or the amendment of any special resolution shall be carried on two thirds majority of all votes cast.
13. **PROXIES**
- 13.1. A proxy form, power of attorney or other authority in respect of a general meeting shall be in writing and signed by or on behalf of the grantor.
- 13.2. Subject to the provisions of the Act, a proxy form shall –
- 13.2.1. be substantially in the form of annex "C" hereto or such other form as is approved or accepted by the directors;
- 13.2.2. be deposited (together with a duly signed ballot paper in the form annex "B" hereto) at the office not less than twenty-four hours before the time appointed for the holding of the general meeting, or resumption of an adjourned general meeting at which the person named therein proposes to vote;

- 13.2.3. in addition to the authority conferred by the Act, except insofar as it provides otherwise, be deemed to confer the power generally to Act at the general meeting in question, subject to any specific direction as to the manner of voting;
 - 13.2.4. be valid at every resumption of an adjourned meeting to which it relates, unless the contrary is stated thereon;
 - 13.2.5. not be used at the resumption of an adjourned general meeting if it could not have been used at the general meeting from which it was adjourned for any reason other than that it was not lodged timeously for the meeting from which the adjournment took place;
 - 13.2.6. not be valid after the expiry of two months after the date when it was signed unless it specifically provides otherwise.
- 13.3. A vote cast or Act done in accordance with the terms of a proxy form shall be deemed to be valid notwithstanding –
- 13.3.1. the previous death, insanity, or any other legal disability of the person appointing the proxy; or
 - 13.3.2. the revocation of the proxy,
 - 13.3.3. unless notice as to any of the abovementioned matters shall have been relieved by the Company at the office or by the Chairperson of the meeting at the place of the general meeting if not held at the office, before the commencement or resumption (if adjourned) of the general meeting at which the vote was cast or the Act was done.

14. **DIRECTORS**

- 14.1. Subject to the provisions of the Act –
- 14.1.1. unless otherwise determined by a general meeting, the number of directors of the Company shall be not less than two nor more than seven;
 - 14.1.2. the first directors shall be the person named in articles 3.2 above.
- 14.2. A general meeting or the directors shall have the power, from time to time, to appoint anyone as a director, either to fill a vacancy in the directors or as an additional director, provided that the total number of directors shall not at any time exceed the maximum number fixed by or in accordance with these Articles and the appointment of any director so appointed shall cease at the conclusion of the next annual general meeting, unless it is confirmed at that annual general meeting.

14.3. The continuing directors may Act, notwithstanding any vacancy in their number, but if and for so long as their number is reduced below the minimum number of directors required to Act as such for the time being, the continuing directors may Act only to –

14.3.1. increase the number of directors to the required minimum; or

14.3.2. summon a general meeting for that purpose, provided that if there is no director able or willing to Act, then any Member may convene a general meeting for that purpose.

14.4. The directors shall not be paid any remuneration for their services as such.

14.5. The directors may be paid any travelling, subsistence and other expenses properly incurred by them in the execution of their duties in or about the business of the Company and which are authorised or ratified by the directors.

15. **ALTERNATE DIRECTORS**

15.1. Each director may by notice to the Company –

15.1.1. nominate any one or more than one person in the alternative (including any of his co-directors) to be his alternate subject to the approval of the other directors of that alternate, which approval shall not be unreasonably withheld;

15.1.2. at any time terminate any such appointment.

15.2. The appointment of an alternate director shall terminate –

15.2.1. if he ceases to be a director; or

15.2.2. if he terminates his appointment; or

15.2.3. if the directors reasonably withdraw their approval to his appointment.

15.3. An alternate director shall -

15.3.1. only be entitled to attend or act or vote at any meeting of directors if the director to whom he is an alternate is not present, provided that -

15.3.1.1. he may attend a meeting of directors at which the director to whom he is an alternate is present if the other directors agree thereto;

15.3.1.2. any person attending any meeting of directors as a director in his own right and/or as an alternate for one or more directors shall have

one vote in respect of each director whom he represents, including himself if he is a director;

- 15.3.2. only be entitled to sign a resolution passed otherwise than at a meeting of directors in terms of these Articles if the director to whom he is an alternate is then absent from the town in which the office is situate, or is incapacitated;
- 15.3.3. subject to the foregoing, generally exercise all the rights of the director to whom he is an alternate in the absence or incapacity of that director;
- 15.3.4. in all respects be subject to the terms and conditions existing with reference to the appointment, rights and duties and the holding of office of the director to whom he is an alternate, but shall not have any claim of any nature whatever against the Company for any remuneration of any nature whatever.

16. **POWERS AND DUTIES OF THE DIRECTORS**

- 16.1. Subject to any limitation imposed by these Articles, the management of the business and the control of the Company shall be vested in the directors who, in addition to and without limitation of the powers expressly conferred upon them by the Act or these Articles, may exercise or delegate to any one or more persons all such powers and or delegate to any one or more person the doing of all such acts (including the right to sub-delegate) as may be exercised or done by the Company and are not in terms of the Act or by these Articles expressly directed or required to be exercised or done by a general meeting, subject, nevertheless, to that management and control -
 - 16.1.1. not being inconsistent with; and
 - 16.1.2. being in compliance with,
 - 16.1.3. any resolution passed by a general meeting. No such resolution passed by a general meeting shall invalidate any prior act of the directors or any delegatee.
- 16.2. Subject to any restriction imposed and direction given at a general meeting of the Company, the powers of the directors, without any limitation, shall include the following -
 - 16.2.1. to delegate to on or more directors or Members such of their powers as they may deem fit, and at any time to revoke such delegation;
 - 16.2.2. to engage on behalf of the Company the services of accountants, auditors, attorneys, advocates, architects, engineers and managing agents and any other professional firm or person or other employees whatsoever for any reason

deemed necessary by the directors and on such terms as the directors shall decide;

- 16.2.3. to determine from time to time the routine maintenance requirements of the common areas and to instruct the manager to attend to such maintenance requirements on behalf of and at the cost of the Company;
- 16.2.4. to procure that all of the assets of the Company are adequately insured for such amounts as the directors may deem prudent and against such risks as those assets are normally subject;
- 16.2.5. to pay for all municipal services, rates and taxes and other imposts and electricity consumed on or charged in respect of any of the common areas;
- 16.2.6. to provide such infrastructure to erven and common areas as well as such services to the Members of the Company as the directors may deem beneficial to the interest of Members of the Company;
- 16.2.7. to enter into such agreements as may be necessary or desirable in order to give effect to any matters contained in the Memorandum or these Articles;
- 16.2.8. to implement such measures as they in their discretion deem necessary to ensure the security and safety of Development and all persons therein;
- 16.2.9. to appoint for and on behalf of the Company such agents and employees as they deem fit in connection with the control, management and administration required in terms of the Articles of Association, more particularly for the maintenance of the common areas;
- 16.2.10. to open and operate a current account and savings account with a banking institution or a building society;
- 16.2.11. to purchase, hire or otherwise acquire movable property for use in fulfilling the duties imposed on the directors in terms of these Articles of Association;
- 16.2.12. to liaise with the local authority regarding any matter falling under the ambit of these Articles of Association, or on behalf of any Member;
- 16.2.13. to ensure that Members adhere to the provisions of these Articles of Association;
- 16.2.14. to do all things reasonably necessary for the enforcement, management, control and administration devolving upon the directors in terms of these Articles of Association.

17. INTEREST OF DIRECTORS

17.1. Subject to compliance with the provisions of the Act, a director shall not be liable (in the absence of any agreement to the contrary) to account to the Company for any profit or other benefit arising out of any contract entered into by the Company in which he is directly or indirectly interested.

17.2. A director shall, if he has, in accordance with the Act, disclosed his interest (if it is material) in the relevant contract or arrangement -

17.2.1. be counted in a quorum for the purpose of a meeting of directors at which he is present to consider any matter; and

17.2.2. be entitled to vote in regard to any matter;

relating to any existing or proposed contract or arrangement in which he is interested, other than a contract or arrangement regulating his holding of an office or place of profit under the Company or subsidiary of the Company.

18. DISQUALIFICATION OF DIRECTORS

18.1. A director shall cease to hold office as such if he –

18.1.1. is prohibited from being or is removed as or is disqualified from acting as a director of a Company in terms of the Act;

18.1.2. gives notice to the Company of his resignation as a director with effect from the date of, or such later date as is provided for in, such notice;

18.1.3. absents himself from meetings of directors for six consecutive months without the leave of the other directors, and they resolve that his office shall be vacated, provided that this provision shall not apply to a director who is represented by an alternate who does not so absent himself.

18.1.4. is given notice, signed by Members holding in the aggregate more than 50% of the total voting rights of all Members then entitled to vote at a general meeting, of the termination of his appointment.

19. PROCEEDINGS OF DIRECTORS

19.1. The directors may -

- 19.1.1. meet, adjourn and otherwise regulate their meetings as they think fit and any director shall be entitled to convene or direct the secretary to convene a meeting of the directors;
 - 19.1.2. determine what notice shall be given of their meetings and the means of giving that notice, provided that any such prior determination may be varied, depending on the circumstances and reasons for the directors' meeting in question.
- 19.2. Unless otherwise determined by the Company in general meeting, or by a meeting of the directors at which all the directors are present, but subject always to the provisions of article 19.3 below, the quorum necessary for the transaction of the business of the directors shall be a majority of the directors for the time being in office. Each director shall have one vote. A resolution of directors shall be passed by a majority of the votes of the directors present at the meeting at which it is proposed.
- 19.3. Notwithstanding anything to the contrary herein contained, during the Development Period -
- 19.3.1. one of the Developer's nominees referred to in article 3.2 shall be the Chairperson at meetings of directors of the Company, as stated in article 19.1;
 - 19.3.2. each of the nominees of the Developer referred to in article 3.2 shall be appointed a director;
 - 19.3.3. the quorum necessary for any meeting of directors shall include one of directors nominated by the Developer;
 - 19.3.4. the directors nominated by the Developer shall each have such number of votes as is equal to the total number of directors present at the meeting in question plus one additional vote.
- 19.4. Subject to the provisions of the Act, a resolution signed by directors (or their alternates, if applicable) whose number is not less than that of a quorum for a meeting of directors, and inserted in the minute book, shall be as valid and effective as if it had been passed at a meeting of directors. Any such resolution may consist of several documents, each of which may be signed by one or more directors (or their alternates, if applicable) and shall be deemed to have been passed on the date on which it was signed by the last director who signed it (unless a statement to the contrary is made in that resolution).
- 19.5. The directors shall cause minutes to be kept of every directors meeting, which minutes shall, without undue delay after the meeting has closed, be reduced to writing and certified correct by the Chairperson. All minutes of directors' meeting shall, after certification, be

placed in a directors' minute book to be kept in accordance with the provisions of the Act relating to the keeping of minutes of meetings of directors of companies.

19.6. The directors may appoint from time to time one or more of the directors as executive directors or as managing directors of the Company, on such terms and conditions as may be determined from time to time by the directors.

19.7. The appointment of an executive director or managing director shall, without prejudice to any claim of any nature whatever which any such director may have against the Company, cease if for any reason he ceases to be a director.

20. **DISTRIBUTION OF INCOME**

Save as is provided in clause 6 of the Memorandum, no part of the income or assets of the Company shall be distributed to its Members, and the same shall be applied solely towards the pursuit of the Company's objects, provided that this article shall not be construed as prohibiting the payment of expenses to directors.

21. **WINDING UP**

If the Company is wound up (whether voluntarily or compulsorily) or deregistered or dissolved, the assets remaining after payment of the liabilities of the Company and the costs of winding up shall be given or transferred to some other company or institution or companies or institutions having objects similar to the main object of the Company, to be determined by the Members of the Company at or before the time of its dissolution or, failing such determination, by the Court.

22. **INDEMNITY**

Every director, alternate director, manager, secretary and other officer of the Company and any person employed by the Company as its auditor shall be indemnified out of the Company's funds against all liability incurred by him in defending any proceedings (whether civil or criminal) arising out of any Actual or alleged negligence, default, breach of duty or breach of trust on his part in relation to the Company in which judgment is given in his favour or in which he is acquitted or in connection with any matter in which relief is granted to him by the Court in terms of the Act.

23. **NOTICES**

23.1. Subject to the provisions of these Articles, a notice shall be in writing and shall be given or served by the Company upon any Member or director either by delivery or by sending it through the post, properly addressed to -

23.1.1. a Member at his address shown in the register of Members;

23.1.2. a director at his postal address shown in the directors' register.

- 23.2. A Member may by notice require the Company to record an address within the Republic of South Africa (as it is constituted from time to time) which shall be deemed to be his address for the purpose of the service of notices.
- 23.3. Every such notice shall be deemed, until the contrary is proved, to have been received -
- 23.3.1. if it is delivered, on the date on which it is so delivered;
- 23.3.2. if it is sent by post, on the date on which it was posted.
- 23.4. When a given number of days' of a general meeting or of a meeting of directors to or the non-receipt of, or delay in transmission through the post of, any such notice by or to any Member of director, as the case may be, shall not invalidate any resolution passed at any such meeting.
24. **INCLUSION AND EXCLUSION OF LAND**
- 24.1. The Developer shall be entitled at all times during the Development to –
- 24.1.1. extend the boundaries of the Development by the addition of any land and to provide that on a sale and transfer of any property within such extended boundaries that the purchaser/transferee thereof shall become a Member of the Company;
- 24.1.2. reduce the boundaries of the Development by the exclusion of any land forming part thereof and to provide that, upon such exclusion, the registered owner thereof (and the registered lessee of a property, if applicable) shall cease to be a Member of the Company;
- 24.1.3. extend and/or reduce the boundaries of the Development.