

APPENDIX B: FEATHERBROOKE ESTATE CONSTITUTION

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

**ARTICLES OF ASSOCIATION OF A COMPANY
NOT HAVING A SHARE CAPITAL**

Section 60(1); Regulation 18

Featherbrooke Homeowners' Association
Registration Number 2000/006729/08

NAME OF COMPANY:

FEATHERBROOKE HOMEOWNERS' ASSOCIATION
(ASSOCIATION INCORPORATED UNDER SECTION 21)

- A. The Articles of Table A or Table B contained in Schedule 1 to the Companies Act, 1973, shall not apply to the COMPANY.
- B. The Articles of the COMPANY are as follows:

1. INTERPRETATION

The headings contained in the Articles are intended for reference purposes only and shall not be taken into account in the interpretation thereof. In the interpretation of the Articles the words containing in the first column of the table set out below shall bear the meanings set out opposite each of them in the second column thereof, unless the contents or context otherwise requires.

WORDS	MEANINGS
"the Act"	the Companies Act, 1973, including any amendment, consolidation or re-enactment thereof;
"the Articles"	these articles of association as now framed or as from time to time amended by special resolution;
"the Association"	The Featherbrooke Homeowners' Association
"the Company"	(Association Incorporated under Section 21);
"the Chairman" or the "Deputy Chairman"	the Chairman or the Deputy Chairman of the board of Directors;
"the Developer"	FAIROAK INVESTMENT HOLDINGS (PTY) LIMITED, Reg No 95/07776/07, currently of Ground Floor No A1, Gateview House Constantia Park, Hendrik Potgieter Road, Weltevreden Park;

"the Directors"	the Directors for the time being of the Association and the alternate Directors thereof, or as the case may be, the Directors assembled at a meeting of Directors at which a quorum is present;
"Gazette"	the Government Gazette of the Republic of South Africa;
"general meeting"	an annual general meeting or a general meeting of the Association;
"in writing"	written or reproduced by any substitute for writing or partly written and partly so reproduced and including printing, typewriting or lithography or any other mechanical process, or partly one and partly another;
"JAC"	the Joint Aesthetics Committee established in terms of 10.1;
"land"	includes a unit (if applicable);
"the Manager"	the Manager appointed from time to time;
"member"	a member of the Association;
"the office"	the registered office of the Association;
"the open spaces"	the parks, open spaces and recreational amenities and the Property (if any);
"the rules"	the rules made by the Directors in terms of 8 as they may apply from time to time;
"South Africa"	the Republic of South Africa or the territory comprised therein from time to time;
"the register"	the register of members of the Association;
"the secretary"	the secretary of the Association for the time being;
"sign"	includes the reproduction of a signature by printing, typewriting or lithography, or any kind of stamp or any other mechanical process, and "signature" has a corresponding meaning;
"the Property"	FEATHERBROOKEESTATETOWNSHIP inclusive of all the Phases thereof;
"the settlement"	

agreement” the settlement agreement entered into between the Association and the Developer on 24 August 2001;

"Township" the Property as defined.

Unless the context otherwise requires:

- 1.1 words importing the singular number shall include the plural number and vice versa;
- 1.2 words importing the masculine gender shall include the feminine gender;
- 1.3 words importing natural persons shall include firms and corporate bodies;
- 1.4 reference to any provisions of the Act shall include such provisions as it may be modified or re-enacted from time to time.

2. Subject to the preceding article, any words or expressions defined in the Act the Sectional Title Act, 1991 or the Deeds Registries Act, 1937 shall, unless the context otherwise requires, bear the same meaning in the Articles.

3. MEMBERSHIP

3.1 The following shall be members of the Association-

3.1.1 any person, including the Developer, who is the registered owner of any portion of the Property.

3.2 No person other than a person referred to in 3.1 shall be entitled to be a member of the Association.

3.3 Where two or more persons are registered as the owners of land all the registered owners of that land shall be deemed to be one member of the Association.

4. TERMINATION OF MEMBERSHIP

4.1 When a member ceases to be the registered owner of a portion of the Property he shall ipso facto cease to be a member of the Association.

4.2 A member shall not sell or otherwise agree to alienate any portion of the Property, unless it is a condition of such agreement that:-

4.2.1 the person to whom the portion of the Property is to be alienated ("the transferee") has bound himself, to the satisfaction of the Association, as a contract for the benefit of the Association, to become a member of the Association upon the transfer of the portion of the Property to him.

4.2.2 the registration of transfer of the portion of the Property to the transferee shall ipso facto constitute the transferee as a member of the Association.

4.3 The Developer shall, when it is no longer the registered owner of a portion of the Property, cease to be a member of the Association.

4.4 A member may not resign as a member of the Association.

5. REGISTER OF MEMBERS

The Association shall keep a register of members at the place and in the manner specified in the Act.

6. BANK ACCOUNT

6.1 The Association shall open a bank account for purposes of receipt of levies and payment of expenses relating to the Property.

6.2 Two signatures will be required on each cheque and there will be no less than three or more than five signatories.

7. LEVIES

7.1 Subject to the provisions of 7.9.1 to 7.9.5, the Directors shall from time to time, make levies upon the members for the purpose of meeting all the expenses which the Association has incurred, or which the Directors reasonably anticipate the Association will incur, in the furtherance of its objects.

7.2 Subject to the provisions of 7.9.1 to 7.9.5, the members shall be liable in respect of any levy made in terms of 7.1 from time to time in equal shares, provided that any member who is the registered owner of more than one piece of land shall be liable to make payment of such share in respect of each piece of land owned by him.

7.3 The Directors shall, prior to the end of financial year, prepare and itemised estimate of the anticipated income and expenditure (which may include a reasonable provision for contingencies) of the Association during the ensuing financial year, estimate the amount required to be levied upon the members during such ensuing financial year and make a levy upon the members in such estimated amount.

7.3.1 The Directors shall, as soon as possible after the imposition of the levy in terms of 7.3 determine the amount payable by each member in terms of 7.2, and shall forthwith advise each member in writing of the amount payable.

- 7.3.2 Such amount shall be payable in equal monthly instalments due in advance on the first day of each month of the financial year.
- 7.4 The Directors may from time to time make special levies upon the members who are liable in terms of 7.2 or call upon them to make special contributions in respect of all such expenses as are mentioned in 7.1 above (which are not included in any estimates made in terms of 7.3 above) and such levies and contributions may be payable in one sum or by such instalments and at such time or times as the Directors shall think fit.
- 7.5 Interest shall be payable on arrear levies at such rate as may from time to time be determined by the Directors.
- 7.5.1 Any amount due by a member by way of a levy or interest thereon shall be a debt due by him to the Association.
- 7.5.2 The obligation of a member to pay levies shall cease upon his ceasing to be a member, without prejudice to the Association's right to recover arrear levies and interest thereon.
- 7.5.3 No levies or interest paid by a member shall under any circumstances be repayable by the Association upon his ceasing to be a member.
- 7.5.4 A member's successor in title to a portion of the Property 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 thereon attributable to that land.
- 7.6 A member shall be liable for and pay all legal costs, including costs as between attorney and own client and collection commission, expenses and charges incurred by the Association in obtaining the recovery of arrear levies or any other arrear amounts due and owing by such member to the Association.
- 7.7 No member shall be entitled to any of the privileges of membership unless and until he shall have paid every levy and interest thereon, and any other sum, if any, which may be due and payable by that member to the Association, from whatsoever cause arising.
- 7.8 The Directors shall not be entitled to undertake on behalf of the Association any works of a capital nature, without the sanction of a resolution of the Association in general meeting.
- 7.9 In accordance with the provisions contained in clauses 3.2 to 3.6 of the settlement agreement:

- 7.9.1 Registered owners of pieces of land (excluding the Developer) shall be liable for the payment of levies as determined by the Directors and approved by the Association at its general meetings subject thereto that the monthly levy is to be fixed in the amount of R400,00 (FOUR HUNDRED RAND) per month per stand for a period of 18 (EIGHTEEN) months from the effective date;
- 7.9.2 The Developer shall not be liable for payment of any levies for a period of 18 (EIGHTEEN) months from the effective date in respect of any stands of which it is the registered owner;
- 7.9.3 After the period of 18 (EIGHTEEN) months the Developer shall be liable for the payment of levies as follows:
- 7.9.3.1 The full levy in respect of the balance of all proclaimed stands in Featherbrooke proper; Extensions 1, 2 and 3, of which it is still the registered owner after the 18 (EIGHTEEN) month period;
- 7.9.3.2 In respect of all stands that are proclaimed after the effective date, levies in an amount equal to 25% (TWENTY FIVE PERCENT) of the levies payable from time to time by the other members.
- 7.9.4 Save as provided in 24.1 and 24.3 and in respect of any resolution proposed to amend the Articles, the Developer irrevocably binds itself not to exercise any of its votes at any general meeting for a period of 18 (EIGHTEEN) months from the effective date;
- 7.9.5 After the 18 (EIGHTEEN) month period but subject to 24.3 the Developer irrevocably binds itself not to exercise more than 25% (TWENTY FIVE PERCENT) of its votes in respect of the stands referred to in 7.9.3.2.

8. RULES

- 8.1 Subject to any restriction imposed or direction given at a general meeting of the Association, the Directors may from time to time make rules in regard to:
- 8.1.1 the use by members, the members of their households, their guests, and lessees, of the open spaces;
- 8.1.2 the conduct of builders on the Property;
- 8.1.3 any other activity concerning the Property.

- 8.2 For the enforcement of any of the rules made by the Directors in terms hereof, the Directors may-
- 8.2.1 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 costs of so doing to the member concerned, which amount shall then be deemed to be a debt owing by the member concerned to the Association;
 - 8.2.2 take such other action, including court proceedings, as they may deem fit.
- 8.3 In the event of any breach of the rules by the members of any member's household, or his guests, or lessees, builders or any person rendering products or services to members, 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.
- 8.3.1 In the event of any member disputing the fact that he has committed a breach of any of the rules aforesaid, a committee of three Directors appointed by the Chairman for the purpose, shall adjudicate upon the issue at such times and in such manner and according to such procedure as the Chairman may direct.
 - 8.3.2 Notwithstanding the foregoing, the Directors may in the name of the Association enforce the provisions of any rules by proceeding in a court of competent jurisdiction and for this purpose may appoint such attorneys and counsel as they may deem fit.
- 8.4 It shall be the duty of the Manager, or such other person or body as may be empowered by the Directors, to ensure compliance by the members with the rules, and to this end to issue such notices or do such things as may be necessary or requisite.
- 8.5 Each member undertakes to the Association that he shall comply with any rules made in terms of 8.1 and no member shall be entitled to any of the privileges of membership unless and until he has complied fully with any decision made by the committee referred to in 8.3.1 above.
- 8.6 The provisions of this clause 8 are subject, insofar as may be necessary, to the consent of the local authority concerned.

9. MAINTENANCE

The Directors shall have the power, without prejudice or any other rights of the Association-

- 9.1 whenever they consider that the appearance of any land or building in the Township owned by a member is unsightly or injurious to the amenities of the surrounding area or township

generally, to serve notice on such member to take steps as may be specified in the notice to alienate such unsightly or injurious condition within a stated period;

9.2 should a member on whom a notice in terms of 9.1 is served fail to take such steps as may be specified in the notice within the stated period, on behalf of the Association to take such steps as may be necessary to alienate such unsightly or injurious condition and to recover the costs of so doing from the member concerned which costs shall be deemed to be a debit owing to the Association;

9.3 to maintain the street lighting in the Township and to pay for the electricity consumed thereby.

10. AESTHETICS

10.1 In accordance with clause 2 of the settlement agreement:

10.1.1 A JAC shall be established to:

10.1.1.1 formulate the masterplan and architectural guidelines and amend and supplement them if needed;

10.1.1.2 receive and consider all applications for all developments and building plans;

10.1.1.3 enforce compliance with the masterplan and architectural guidelines;

10.1.1.4 provide for the accreditation and coaching of all estate agents.

10.1.2 The JAC shall consist of 5 (FIVE) members, being the consulting architect and 3 (THREE) members nominated by the Directors and 1 (ONE) representative of the Developer.

10.1.2.1 The consulting architect shall be chairperson of the JAC and shall have a deciding vote;

10.1.2.2 The JAC may appoint a landscape architect and a town planner to advise the JAC on an ad hoc basis;

10.1.2.3 The Manager shall have a seat on the JAC but no voting rights;

10.1.2.4 The JAC may appoint a panel of architects to assist in and advise on the consideration and approval of applications for the approval of building plans and all developments;

10.1.2.5 The JAC shall report to the Directors on a regular basis.

10.1.3 The activities of the JAC and the architects shall be funded by means of reasonable scrutiny fees for all developments and building plans payable by purchasers and/or developers and shall be fixed in an amount to cover the costs of the JAC subject to a maximum of R800,00 (EIGHT HUNDRED RAND) in respect of Res1 stands for a period of 3 (THREE) years.

10.1.4 To give effect to the need for a masterplan and detailed architectural guidelines and minimum requirements for the complete development of the Property an architect appointed by the Directors together with the JAC shall formulate the masterplan and architectural guidelines, which shall not be in conflict with the promulgated general plan of each of the townships as approved by the Surveyor-General except to the extent provided for in the settlement agreement.

10.1.4.1 The masterplan and architectural guidelines and any subsequent amendments thereof are subject to the written approval of the Developer, which approval shall not unreasonably be withheld;

10.1.4.2 The Developer and all purchasers of properties are to be bound by the *stipulatio alteri* which were included in the purchase agreements concluded as at date of signing of the settlement agreement as well as the masterplan and architectural guidelines as formulated by the JAC.

10.2 No member may -

10.2.1 erect any fencing or walling on land in the Township; install television or radio aerials or solar heating panels which are exposed to view, on a building in the Township without the prior written approval of the Association, which approval shall not be withheld unless the Directors are of the opinion that such fencing or walling is inconsistent with the aesthetic appearance of the homes and gardens in the Township;

10.2.2 make any additions or extensions to any building in the Township or erect any further building or structure, in particular, but not limited to, carports, garages, servants quarters, storerooms and pergolas, whether of a temporary or a permanent nature,

upon land in the Township without the prior written approval of the Association, which approval shall not be withheld unless the Directors are of the opinion that such building or structure is not in keeping with the architectural style of the existing buildings of the house concerned.

- 10.3 No member (including the Developer) may develop any land, build any structure or effect any improvement on land in the Township without the prior written approval of the Association, which approval shall not be withheld unless the Directors are of the opinion that such structure or improvement is inconsistent with the aesthetic appearance and character of the Township and the homes, gardens and open areas in the Township.

11. AMENITIES

- 11.1 The Directors shall have control of all sporting, social and recreational facilities and amenities situate on the open spaces, and may lay down, and alter, from time to time such rules as it may consider necessary for the use of any such facilities and amenities by members, including the charging of such fee as it may deem reasonable for the use thereof.
- 11.2 The Directors may establish or permit the establishment of clubs or associations of members control and regulate the use of any such sporting, social and recreational facilities and amenities, and may delegate to the committees of such clubs or associations any or all of their functions, powers and duties in relation to the particular facility or amenity concerned as they may deem fit.
- 11.3 The companies formed herein and the members thereof, shall be responsible for the building and maintaining of a private road leading to and around the complex, without obstructing in any way the right of way registered in favour of the Local Authority.
- 11.4 The provisions of this clause 11 are subject, insofar as may be necessary, to the consent of the local authority concerned.

12. MANAGEMENT OF THE PROPERTY

- 12.1 In accordance with clause 5 of the settlement agreement:

12.1.1 The Directors shall exercise full control over management and finances of the Property subject to the conditions set out herein;

12.1.2 Representatives and employees of the Developer shall be granted unrestricted access to the Property;

12.1.3 Restrictions and rules shall not be introduced which shall unreasonably restrict the activities of contractors or their access to the Property;

12.2 The Directors may from time to time, appoint in terms of a written contract a Manager to control, manage and administer the Association and to exercise such powers and duties as may be entrusted to the Manager, including the power to collect contributions levied.

12.3 The contract with the Manager shall further provide for the appointment to be revoked and the Manager shall cease to hold office if-

12.3.1 where the Manager is a company, an order is made for its provisional or final liquidation; or where the Manager is a natural person, he surrenders his estate as insolvent or his estate is sequestrated; or

12.3.2 the Manager is convicted of an offence involving fraud or dishonesty; or, where the Manager is a company, any of its Directors is convicted of an offence involving fraud or dishonesty; or

12.3.3 a special resolution of the members of the Association is passed to that effect; provided that in such even the Manager so removed from office shall not be deprived of any right he may have to claim compensation or damages for breach of contract.

12.4 The Manager shall keep full records of his administration and shall report to the Association on all matters which in his opinion detrimentally affect the value or amenity of the land in the Township.

12.5 12.5.1 The Directors shall give reasonable prior notice to the Manager of all meetings of the Directors and the Manager shall be entitled to be present thereat.

12.5.2 The Directors shall from time to time furnish to the Manager copies of the minutes of all meetings of the Directors and of the Association.

12.6 Should a manager not be appointed in terms of this clause 12, then all references in the Articles to the Manager shall be deemed to be a reference to the Directors.

13. RESTRICTION ON TRANSFER OF LAND

13.1 No member (including the Developer) shall be entitled to transfer land or any sub-division thereof or of any sectional title unit or of any interest therein-

13.1.1 unless the Association, under the hand of the Manager and a Director or of two Directors, has certified in writing that the member has fulfilled all his financial obligations to the Association in respect of the period up to and including the date specified in such notice; and

13.1.2 the transfer takes place prior to or on that date.

13.2 No member shall transfer a stand in the Property unless the proposed transferee has acknowledged its membership of the Association, which membership is ipso facto conferred upon a person or entity upon transfer of a stand into its name.

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

14. GENERAL MEETINGS

14.1 The Association shall from time to time hold annual general meetings as provided in the Act.

14.2 Save as may be provided in the Act, members may not convene a general meeting of the Association, except where all the Directors have become incapacitated or have ceased to be Directors, in which event 2 (TWO) or more members may convene a general meeting on due notice to all members entitled thereto, and may recover the costs of so doing from the Association.

14.3 The Directors-

14.3.1 may, whenever they deem fit, convene a general meeting of the Association;

14.3.2 shall convene a general meeting if requisitioned in terms of the Act.

14.4 Subject to the provisions of the Act-

14.4.1 all general meetings whether annual or otherwise;

14.4.2 all adjourned general meetings,

shall be held at such time and place as the Directors shall appoint.

14.5 NOTICE OF GENERAL MEETINGS

14.5.1 Not less than 21 (TWENTY ONE) clear days' notice shall be given of all annual general meetings or meetings called for the passing of a special resolution and not less than 14 (FOURTEEN) clear days' notice shall be given of any other general meeting - in the manner hereinafter determined and to such persons as are, in

accordance with the provisions of the Articles, entitled to receive notice of all meetings from the Company.

14.5.2 The period of the notice shall be exclusive of the day - on which it is served or deemed to be served and on which the meeting is to be held.

14.5.3 The notice shall specify the place, day and time of the meeting and the nature of the business to be transacted thereat.

14.5.4 Whenever notice of a meeting is given pursuant to this article, the Association shall forward a copy thereof to the auditors of the Association and to the Manager.

14.5.5 The accidental omission to give notice of a meeting or, where applicable, to send an instrument of proxy therewith, or the failure to receive a notice or proxy by any person entitled thereto, or the late receipt thereof, shall not invalidate the proceedings at that meeting.

14.6 PROCEEDINGS AT GENERAL MEETINGS

14.6.1 The annual general meetings shall deal with and dispose of all matters prescribed by the Act, including the consideration of the annual financial statements, the election of Directors and the appointment and remuneration of an auditor.

14.6.2 The annual general meeting shall also consider the levy imposed by the Directors and may deal with any other business laid before it.

14.7 THE QUORUM FOR A GENERAL MEETING-

14.7.1 shall be 7 (SEVEN) members personally present and entitled to vote.

14.7.2 No business shall be transacted at any general meeting unless a quorum is present.

14.7.3 A corporate body, or a Trust, being a member of the Association, and which is represented by a duly appointed representative, shall be deemed to be a member personally present for the purpose of this article.

14.7.4 If - within 10 (TEN) minutes from the time appointed for the meeting; or at any time during the course of the meeting, a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved.

14.7.5 In any other case it shall stand adjourned to a date not earlier than 7 (SEVEN) days and not later than 21 (TWENTY ONE) days after the date of the meeting as the chairman may determine, and at the same time and place or, if not possible, at such other time and/or place as the chairman of the meeting shall appoint.

14.7.6 If at such adjourned meeting a quorum is not present within 10 (TEN) minutes from the time appointed for holding the meeting, two members who are present in person or by proxy and are entitled to vote shall be a quorum and may transact the business for which the meeting was called.

14.8 THE CHAIRMAN

14.8.1 or, in his absence, the deputy chairman (if any), shall preside as chairman at every general meeting of the Association.

14.8.2 If there be no such chairman or deputy chairman or at any meeting neither the chairman nor the deputy chairman is present within 10 (TEN) minutes after the time appointed for the meeting, or if neither of them be willing to act as chairman, the Directors present shall choose one of their number to act as such, but if 1 (ONE) Director only be present, he shall preside as chairman if he is willing so to act.

14.8.3 In the absence of a chairman in terms of 14.8.1 or 14.8.2, the members present shall elect one of their number to act as chairman.

14.8.4 The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting, except such business as may lawfully have been transacted at the meeting which was adjourned.

14.8.5 Where a meeting has been adjourned in terms of 14.7.6 or 14.8.4, the Association shall, upon a date not later than 3 (THREE) days after the adjournment, publish in a newspaper circulating in the province where the office is situate, a notice stating-

- the date, time and place to which the meeting has been adjourned;
- the matter before the meeting when it was adjourned; and
- the ground for the adjournment.

14.9 VOTING

14.9.1 At a general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is demanded before or immediately after the declaration of the result of the show of hands-

14.9.1.1 by the chairman of the meeting; or

14.9.1.2 by not less than 5 (FIVE) members having the right to vote at the meeting; or

- 14.9.1.3 by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting.
- 14.9.2 Unless a poll be demanded and the demand be not withdrawn, a declaration by the chairman of the meeting that-
 - 14.9.2.1 a resolution has been passed unanimously on a show of hands or by a particular majority; or
 - 14.9.2.2 a resolution has not been passed by a particular majority, or rejected (and an entry to that effect in the minute book), shall be conclusive evidence of that fact.
- 14.9.3 The result of a poll shall be deemed to be the resolution of the meeting at which the poll was held.
- 14.9.4 In the case of any equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall have a second or casting vote.
- 14.9.5 The chairman of a meeting may -
 - 14.9.5.1 appoint any firm or persons to act as scrutineers for the purpose of checking the powers of attorney received and for counting the votes at the meeting;
 - 14.9.5.2 act on a certificate given by any such scrutineers without requiring production at the meeting of the forms of proxy or himself counting the votes.
- 14.9.6 If any votes were counted which ought not to have been counted or if any votes were not counted which ought to have been counted, the error shall not vitiate the resolution unless
 - 14.9.6.1 it be brought to the attention of the chairman at the meeting; and
 - 14.9.6.2 in the opinion of the chairman of the meeting, it be of sufficient magnitude to vitiate the resolution.
- 14.9.7 Any objection to the admissibility of any vote (whether on a show of hands or on a poll) shall be raised-

14.9.7.1 at the meeting or adjourned meeting at which the vote objected to was recorded; or

14.9.7.2 at the meeting or adjourned meeting at which the result of the poll was announced,

and every vote not then disallowed shall be valid for all purposes. Any objection made timeously shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.

14.9.8 Even if he is not a member - any Director; or the Company's attorney (or where the Company's attorney are a firm, any partner thereof), may attend and speak at any general meeting, but may not vote unless he is a member or the proxy or representative of a member.

14.10 **VOTES OF MEMBERS**

At every general meeting-

14.10.1 Every member, including the Developer, present in person or by proxy or, if the member is a body corporate, represented, shall have 1 (ONE) vote in respect of each stand and/or piece of land of which it is the registered owner.

14.10.2 Any corporate body or Trust which is a member may, by resolution of its Directors, or Trustees, other governing body, appoint a person to act as its representative at any general meeting of the Association.

14.10.3 Such representative shall be entitled to exercise the same rights on behalf of the corporate body which he represents as that corporate body could exercise if it were an individual who was a member of the Association.

14.10.4 The Directors may, but shall not be obliged to require proof to their satisfaction of the appointment or authority of such representative.

14.10.5 The parent or guardian of a minor, the curator bonis of a lunatic member and the executor of a deceased member, may vote at any general meeting in the same manner as if he were a member of the Association, provided that at least 48 (FORTY EIGHT) hours before the time of holding the meeting at which he proposes to vote, he shall satisfy the Directors that he is such parent, guardian, curator or executor, or that the Directors have previously admitted his right to vote in respect of those shares.

14.11 PROXIES

- 14.11.1 The appointment of a proxy shall be in writing under the hand of the person making such appointment or his agent, duly authorised in writing;
- 14.11.2 If the appointer be a corporate body the power of attorney shall be signed in the manner which and by the person who binds that corporate body;
- 14.11.3 The agent under a power of attorney of a member is entitled, if so authorised by the power of attorney, to vote on behalf of and represent such member at any meeting of the Association;
- 14.11.4 A proxy need not be a member of the Association;
- 14.11.5 A member may appoint more than 1 (ONE) proxy to act on his behalf on the same occasion;
- 14.11.6 The Directors may, if they think fit, send out with the notice of any meeting, forms of proxy for use at the meeting.
- 14.11.7 Every instrument of proxy, whether for a specific meeting or otherwise, shall be in the form or to the effect of the following, or in such other form as the Directors may approve, in either case under the heading of or referring to the Association's name.
- 14.11.8 The Proxy will be in the following form:

PROXY

I/We, _____
of _____
being a member of _____
hereby appoint _____
of _____
failing him, _____
of _____ or
failing him, _____
of _____ or
failing him, the chairman of the meeting as my/our proxy to vote for me/us on my/our
behalf at the annual or general meeting (as the case may be) of the Association to
be held on the _____ day of _____
Year: _____
and at any adjournment thereof as follows:

	Abstain	In favour of	Against
Resolution to	_____	_____	_____
Resolution to	_____	_____	_____
Resolution to	_____	_____	_____

(Indicate instruction to proxy by way of a cross in space provided above)
Unless otherwise instructed, my/our proxy may vote as he thinks fit.

SIGNED THIS DAY OF YEAR

- 14.11.9 A member entitled to attend and vote is entitled to appoint a proxy to attend, speak and vote in his stead, and such proxy need not also be a member of the Association.
- 14.11.10 Any power of attorney and any 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 of attorney shall be deposited at the office or at such other place in South Africa as is specified for that purpose in the notice convening the meeting, not less than 48 (FORTY EIGHT) hours (excluding Saturdays, Sundays and public holidays) before the time appointed for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote, or a poll where a poll is to be held after a meeting or adjourned meeting.
- 14.11.11 If the power of attorney or other instrument or proxy is not deposited timeously, it shall not be treated as valid.
- 14.11.12 Unless specifically otherwise stated in the proxy no instrument appointing a proxy shall be valid after the expiration of 6 (SIX) months from the date thereof except at a poll demanded at a meeting originally held within the 6 (SIX) months after the date of such instrument, or at an adjourned meeting of a meeting held within such period.
- 14.11.13 A vote by virtue of a power of attorney or an instrument of proxy shall be valid notwithstanding the previous legal incapacity of the principal or revocation of the power of attorney or instrument of proxy, unless an intimation in writing of such legal incapacity is received by the Association at the office not less than 24 (TWENTY FOUR) hours before commencement of the meeting or the taking of the poll at which the instrument of proxy is used.

15. DIRECTORS

- 15.1 The Association shall have not less than 3 (THREE), and not more than 9 (NINE) Directors.
- 15.2 A Director need not be a member of the Association.

15.3 REMUNERATION

- 15.3.1 The Directors shall be entitled to such remuneration as the Association in general meeting may from time to time determine, which remuneration shall be divided among the Directors in such proportions as they may agree, or in default of such agreement, equally, except that in such event any Director holding office for less than a year shall only rank in such decision in proportion to the period during which he has actually held office.
- 15.3.2 Such remuneration shall accrue to the Directors from day to day.
- 15.3.3 Any Director who serves on any executive or other committee or devotes special attention to the business of the Association or otherwise performs or binds himself to perform services which, in the opinion of the Directors, are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration or allowances in addition to or in substitution of the remuneration to which he may be entitled as a Director, as a disinterested quorum of the Directors may from time to time determine.
- 15.3.4 The Directors shall also be paid all their travelling and other expenses necessarily expended by them in connection with the business of the Association and attending meetings of the Directors or of committees of the Directors of the Association.

15.4 TERMINATION OF OFFICE

Without prejudice to any contrary provisions in the Articles, the office of a Director shall be vacated in any of the following events:-

- 15.4.1 if his estate is sequestrated or he assigns his estate or enters into a general compromise with his creditors;
- 15.4.2 if he is found to be or becomes of unsound mind;
- 15.4.3 if a majority of his co-Directors sign and deposit at the office a written notice wherein he is requested to vacate his office (which shall become operative on deposit at the office);
- 15.4.4 if he be removed by a resolution of the Association of which proper notice has been given in terms of the Act;
- 15.4.5 if he shall, pursuant to the provisions of the Act or any order made thereunder, be prohibited from acting as a Director;
- 15.4.6 if he resigns his office by notice in writing to the Association;

15.4.7 if he is absent from 3 (three) consecutive meetings of the Directors without leave of the Directors otherwise than on the business of the Association and the Directors resolve that his office be, by reason of such absence, vacated, provided that the Directors shall have power to grant to any Director leave of absence for a definite or indefinite period.

15.5 RETIREMENT OF DIRECTORS IN ROTATION

15.5.1 At every annual general meeting, all of the Directors for the time shall retire from office.

15.5.2 A Director retiring at a meeting shall retain office until the election of Directors at that meeting has been completed.

15.5.3 Retiring Directors may be re-elected.

15.6 Subject to the preceding article, the Association may at the meeting at which a Director retires, fill the vacated office by electing a person and in default the retiring Director, if willing to continue to act, shall be deemed to have been re-elected, unless-

15.6.1 it is expressly resolved at such meeting not to fill such vacated office; or

15.6.2 a resolution for the re-election of such Director shall have been put to the meeting and rejected.

15.7 NOMINATION OF PERSON FOR THE OFFICE OF DIRECTORS

No person, other than a Director retiring at the meeting shall unless recommended by the Directors, be eligible for election to the office for a Director at any general meeting, unless-

15.7.1 not more than 14 (FOURTEEN), but at least 7 (SEVEN) clear days before the day appointed for a meeting, there shall have been delivered at the office a notice in writing by a member (who may also be the proposed Director) duly qualified to be present and vote at the meeting for which such notice is given; containing the name of such person.

15.7.2 a notice in writing by the proposed person of his willingness to be elected is attached thereto (except where the proposer is the same person as the proposed).

15.7.3 The Association in general meeting or the Directors may appoint any person as Director to fill the casual vacancy.

15.8 POWERS OF DIRECTORS

- 15.8.1 The management and control of the business of the Association shall be vested in the Directors who, in addition to the powers and authorities expressly conferred upon them by the Articles, may exercise all powers and authorities and perform all acts which may be exercised or done by the Association, and are not hereby or by the Act expressly reserved to the Association in general meeting.
- 15.8.2 Such management and control may not be inconsistent with the Articles nor with the provisions of the Act.
- 15.8.3 The general powers given by this article shall not be limited or restricted by any special authority or power given to the Directors by any other article.
- 15.8.4 The Directors may from time to time borrow for the purpose of the Association such sums as they think fit.
- 15.8.5 The Directors may by power of attorney appoint any company, firm or person, or any fluctuating body or persons, whether nominated directly or indirectly by the Directors, to be the attorney or agent of the Association for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Directors in terms of the Articles) and for such period and subject to such terms and conditions as they may think fit.
- 15.8.6 Any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such agent as the Director may think fit.
- 15.8.7 The Directors may also authorise any such agent to sub-delegate any of his powers, authorities and discretion.
- 15.8.8 The Directors may delegate any of their powers to an executive or other committee, whether consisting of a member or members of their body or not as they think fit.
- 15.8.9 Any committee so formed shall in the exercise of the powers so delegated, conform to any regulations authorising the appointment of subcommittees that may from time to time be present by the Directors.

15.9 DUTIES OF DIRECTORS TO KEEP MINUTES

- 15.9.1 The Directors shall cause minutes to be made of-
 - 15.9.1.1 all appointments of officers made by the Directors;
 - 15.9.1.2 all names of the Directors present at each meeting of the Directors;
 - 15.9.1.3 all resolutions and proceedings at each meeting of the Association;
 - 15.9.1.4 all resolutions passed by the Directors; and

15.9.1.5 of all meetings of Directors.

15.9.2 Minutes of any resolutions and proceedings appearing in one of the minute books of the Association, shall be proof of the facts therein stated if signed by-

15.9.2.1 any person purporting to be the chairman of the meeting to which it relates; or

15.9.2.2 any person present at the meeting and appointed by the Directors to sign in the chairman's place; or

15.9.2.3 the chairman of a subsequent meeting of the Directors.

15.9.3 Any extracts from or copy of those minutes purporting to be signed by-

15.9.3.1 the chairman of that meeting; or

15.9.3.2 any Director; or

15.9.3.3 the secretary,

shall be prima facie proof of the fact therein stated.

16. PROCEEDINGS OF DIRECTORS AND COMMITTEES

16.1 The Directors may meet for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit.

16.2 Until otherwise determined by the Directors, 2 (TWO) Directors shall form a quorum.

16.3 The chairman may at any time, and the secretary, upon the request for a Director shall at any time, convene a meeting of the Directors.

16.4 The Directors shall determine the number of days' notice to be given for Directors' meetings, and the form of that notice.

16.5 The Directors may-

16.5.1 elect a chairman and a deputy chairman (to act in the absence of the chairman) of their meetings;

- 16.5.2 determine the period for which they are to hold office, which shall not exceed 1 (ONE) year.
- 16.6 If no chairman or deputy chairman is elected, or if at any meeting the chairman or deputy chairman be not present within 10 (TEN) minutes after the time appointed for holding the meeting, the Directors present shall choose one of their number to be chairman at such meeting.
- 16.7 All questions arising at any meeting shall be decided by a majority of votes.
- 16.8 In case of an equality of votes the chairman shall have a second or casting vote, provided that should only 2 (TWO) Directors be present at a meeting (including the chairman), the chairman shall not have a casting vote.
- 16.9 A meeting of the Directors at which a quorum is present shall be entitled to exercise all or any of the powers, authorities and discretion conferred by or in terms of the Articles which are vested in or are exercisable by the Directors generally.
- 16.10 A resolution in writing signed by all the Directors or all the Directors who may at the time be present and provided that they form a quorum shall be as valid and effectual as a resolution passed at a meeting of the Directors duly called and constituted.
- 16.11 Such resolutions-
- 16.11.1 may consist of one or more documents so signed;
- 16.11.2 shall have regard to the provisions of Section 236 of the Act;
- 16.11.3 shall be delivered to the secretary without delay, and shall be recorded by him in the Association's minute book.
- 16.12 Such resolution shall be deemed to have been passed on the day it was signed by the last Director or alternate Director who is entitled to sign it.
- 16.13 A resolution referred to in 16.10 which is not signed by all the Directors shall be inoperative if it shall purport to authorise any act which a meeting of the Directors has decided shall not be authorised, until confirmed by a meeting of Directors.
- 16.14 The meeting and proceedings of any committee shall be governed by the provisions hereof in regard to meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulation made by the Directors.
- 16.15 All acts performed by the Directors or by a committee of Directors or by any person acting as a Director or a member of a committee shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of the Directors or persons acting as aforesaid, or that any of them were disqualified from or had vacated office, be as valid as if

every such person had been duly appointed and was qualified and had continued to be a Director or member of such committee.

16.16 No Director may exercise his vote as a Director in respect of any matter in which such Director may have any personal interest.

17. SECRETARY

If the Directors so decide, they shall appoint a secretary -

17.1 for such term;

17.2 at such remuneration; and

17.3 upon such conditions,

as they may think fit, and the Directors may dismiss such secretary.

18. AUTHENTICATION AND CUSTODY OF DOCUMENTS

18.1 Any Director or the secretary or any person appointed by the Directors for the purpose shall have power to authenticate-

18.1.1 the memorandum and Articles of association;

18.1.2 any resolution, records, documentation and accounts relating to the business of the Association

and to certify copies thereof or extracts therefrom as true copies or extracts.

18.2 Where any books, records, documents, or accounts are elsewhere than at the office, the local manager or other officer of the company or other person having custody thereof shall be deemed to be a person duly appointed by the Directors for the abovementioned purposes.

19. ACCOUNTING RECORDS

19.1 The Directors shall cause to be kept such account records as are prescribed by the Act.

19.2 The accounting records shall be kept at the office or (subject to the provisions of the Act), at such other place as the Directors think fit, and shall at all times be open to inspection by the Directors.

19.3 A copy of all financial statements (including every document required by Law to be annexed thereto) which are to be laid before the Association in an annual general meeting, together with copies of the Directors' and auditors' reports, shall be delivered or sent by post to the

registered address of each member and to every person entitled to a notice of the general meeting.

19.4 The documents referred to in 19.3 shall be sent at least 21 (TWENTY ONE) days before such annual general meeting.

19.5 The documents referred to in 19.3 need not be sent to any person who is not entitled to receive notice of general meeting of the Association or whose address is not known to the Association.

20. AUDITORS

Independent Auditors shall be appointed and their duties regulated in accordance with the provisions of the Act.

21. NOTICES

21.1 Any notice or other document may be served by the Association upon any member by -

21.1.1 delivering it to him personally; or

21.1.2 sending it by post in a prepaid letter, envelope, or wrapper, addressed to such member at his registered address.

21.2 Any member described in the register of members by an address not within South Africa, who shall from time to time furnish the Association with an address within South Africa at which notices can be served upon him, shall be entitled to have notices served upon him at such address.

21.3 Save as determined in the Articles or in the Act, no member other than a registered member whose address appears in the register of members in South Africa shall be entitled to receive any notice from the Association.

21.4 Any notice or other document, if served by post, shall be deemed to have been served at the time when the same was posted, and in proving such service it shall be sufficient to prove that the notice or document was properly addressed, stamped and posted.

21.5 Save as otherwise expressly provided, where a given number of days' notice or notice extending over any period, is required to be given, the day of service shall not be counted in the number of days or other period.

22. RES 2 DEVELOPMENT

In accordance with clause 1.2 of the settlement agreement:

22.1 The Developer shall be entitled to develop or sell land for Res 2 development on all land zoned as Res 2 subject to the following conditions:

22.1.1 All cluster developments shall not exceed a coverage of 15 (FIFTEEN) units per hectare and shall be developed in villages similar in concept to the La Montagne and Villa La Vue developments;

22.1.2 All Res 2 developments must comply with the architectural guidelines and the masterplan to be formulated by the JAC;

22.1.3 The Res 2 guidelines shall set minimum standards in terms of design requirements, minimum size and standards of material to be used, so as to provide for clusters with a minimum present market value of R450 000,00 (FOUR HUNDRED AND FIFTY THOUSAND RAND) per unit;

22.1.4 All future Res 2 developments shall be developed in such a manner so that no further Section 21 companies need to be incorporated for any of the developments and that the Association be the sole representative association in respect of all the whole of the Property.

23. COMMERCIAL DEVELOPMENTS

In accordance with clause 1.4 of the settlement agreement, no commercial development is to be permitted within the parameters of the Property, save at the clubhouse and only to the extent agreed to by the Directors.

24. AMENDMENT TO THE ARTICLES

In accordance with clauses 4.3 to 4.5 of the settlement agreement:

24.1 The Developer irrevocably binds itself to attend any general meeting and vote in favour of the amendment of the Articles as provided for in the settlement agreement and any other resolutions to give effect to the settlement agreement;

24.2 The Articles may thereafter not be amended without the Developer's prior written consent for the period until the Developer has sold 75% (SEVENTY FIVE PERCENT) of the projected stands in the Property, which consent shall not unreasonably be withheld;

24.3 Notwithstanding the provisions of 7.9.4, if any resolution is proposed to amend the Articles, the Developer shall be entitled to exercise one vote in respect of each stand of which it is the registered owner.

25. THE CLUBHOUSE

In accordance with clause 6 of the settlement agreement:

- 25.1 It is recorded that the Developer shall no longer be liable or responsible for the construction of a clubhouse;
- 25.2 The Developer shall within 6 (SIX) months effect transfer at its own cost and without any encumbrances, 1,9 Ha (ONE comma NINE HECTARES) of the land identified for the clubhouse and adjoining facilities to the Association;
- 25.3 The Association shall be free, if it so decides, to commence, at its own costs, with the construction of the clubhouse and facilities thereon at any date after 6 (SIX) months from the effective date;
- 25.4 The Association shall be entitled to raise funds by way of a special levy, a bond or other similar methods to finance the construction of the clubhouse and the facilities;
- 25.5 The Developer shall on presentation of approved building plans and approved finance for the construction of the clubhouse, pay per building draws the first contribution in the amount of R1,000,000.00 (ONE MILLION RAND) to the contractor employed by the Association for the construction of the clubhouse and the adjoining facilities.

26. INDEMNITY

- 26.1 Every Director, manager, secretary, auditors and officer of the Association shall be indemnified out of the funds of the Association against-
 - 26.1.1 all liabilities incurred by him in that capacity;
 - 26.1.2 expenditure in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted; or
 - 26.1.3 costs in connection with any applications under Section 248 of the Act in which relief is granted to him by the Court.
- 26.2 Every person shall be indemnified by the Association against, and it shall be the duty of the Directors out of the funds of the Association to pay all costs, losses and expenses for which any such person may become liable by reason of-
 - 26.2.1 any contract entered into; or
 - 26.2.2 any act done by him,

in his capacity as Director, secretary, manager, auditor or officer of the Association or in any way in the discharge of his duties.

26.3 Subject to the provisions of the Act, no Director, manager, secretary, auditor, officer or servant of the Association shall be liable for-

26.3.1 any act, receipt, neglect or fault of any other such officer or servant of the Association;
or

26.3.2 joining in any receipt or other act; or

26.3.3 loss or expenses suffered by the Association through the insufficiency or deficiency of title to any Property acquired by order of the Directors for and on behalf of the Association; or

26.3.4 the insufficiency or deficiency of any security in or upon which any of the monies of the Association have been invested; or

26.3.5 any loss or damage arising from the insolvency or delict of any person with whom any monies, securities or effects have been deposit; or

26.3.6 any loss or damage occasioned by any error of judgment or oversight on his part; or

26.3.7 any other loss, damage or misfortune whatever which shall happen in the execution of his duties of office in a relation thereto,

unless the same occurs through his own dishonesty.

27. DOMICILIUM CITANDI ET EXECUTANDI

27.1 Each member elects the portion of the Property, of which he is the registered owner, as domicilium citandi et executandi, at which all documents, notices and other communications and legal pleadings and/or processes must be delivered, for purposes of the Articles;

27.2 Any notice to be given or other document or communication and/or legal pleading and/or process to be delivered, may be done so by hand to the domicilium citandi et executandi so chosen by the member concerned. Any document, notice, other communication, pleading or process delivered to any member shall be deemed to have been delivered if handed to any person at the domicilium citandi et executandi so chosen by any member and it shall not be necessary to hand such document, notice, other communication pleading or process to any member personally;

27.3 A notice given as set out above, shall be presumed to have been duly delivered on the date of delivery, if delivered by hand."

March 2011