



THE COMPANIES ACT, NO 71 OF 2008

(AS AMENDED)
NOVEMBER 2023

MEMORANDUM OF INCORPORATION
OF
SIX FOUNTAINS HOMEOWNERS' ASSOCIATION (NPC)

A NON-PROFIT COMPANY WITH MEMBERS
REGISTRATION NUMBER: 2002/027184/08
REGISTRATION DATE: 28/10/2002

OBJECTS OF THE COMPANY

1. **Objects of the Company**
2. **In this Memorandum of Incorporation**
3. **Juristic Personality**
 - 3.3 Memorandum of Incorporation and Company Rules
4. **Limitation of Liability**
5. **Powers of the Company**
6. **Company Rules**
7. **Optional Provisions**
8. **Members of the Company**
 - 8.1. Definition of Membership
 - 8.2. Rights and Obligations of Members
9. **Levies**
 - 9.24. Levy Determination
10. **Members' Authority to Act**
11. **Members' Right to Information**
12. **Proxies and Representatives**
13. **Record Date for Exercise of Members Rights**
14. **Resolutions Passed as if in General Meeting**
15. **Requirements to Hold Meetings**
16. **Members Right to Require a Meeting**
17. **Location of Members Meetings**
18. **Notice of Members Meetings**
19. **Electronic Participation in Members Meeting**
20. **Quorum for Members Meetings**
21. **Members Resolutions**
 - 21.5 Conduct Of Meetings
22. **Board of Directors**
23. **Authority of the Board of Directors**
24. **Meetings: Board of Directors**
25. **Indemnification of Directors**
26. **Officers and Committees of the Board**
27. **Accounting Records**
28. **Annual Financial Statements**
29. **Constitution**
30. **Managing Agent**
31. **The Disciplinary Code**

32. Indemnities
33. Income and Property of Company
34. Dividends

1. OBJECTS OF THE COMPANY

The Company is a non-profit company with Members, with the following objects:

To promote, advance and protect the communal interests of the owners of property in the Township known as Six Fountains Estate and in particular to provide, promote and maintain essential and community services, amenities and activities within Six Fountains, including all sub-divisions and/or consolidations thereof for the mutual use and benefit of Members and their invitees.

This object will include the proposed phases incorporating the townships of Six Fountains Extensions 1, 2 and 3 and any further Extensions.

2. IN THIS MEMORANDUM OF INCORPORATION

2.1. General:

2.1.1. Words signifying the singular number shall include the plural and vice versa.

2.1.2. Words signifying the masculine shall include the feminine and vice versa.

2.1.3. Any words defined in the Companies Act No 71 of 2008, as amended, and not defined hereunder shall bear the same meaning in this Memorandum of Incorporation and any words defined in the Sectional Titles Act 95 of 1986 and/or the Sectional Titles Schemes Management Act, 2011 (Act No 8 of 2011), as amended and not defined shall bear the same meaning in this Memorandum of Incorporation in relation to Sectional Title matters referred to herein.

2.1.4. A reference to any act shall include any amendment thereto or act in substitution, therefore.

2.1.5. The headings to the clauses in this Memorandum of Incorporation are for reference purposes only and shall not be taken into account in the interpretation of the provisions in this Memorandum of Incorporation.

2.1.6. A reference to "Section" followed by a number, refers to the corresponding section of the Companies Act, 2008.

2.2. The following words, expressions and abbreviations shall have the meaning hereinafter assigned to them:

2.2.1. "Act": The Companies Act, No. 71 of 2008 (as amended).

2.2.2. "Alienate" The alienation of any Erf or unit or part thereof and includes alienation by way of sale, exchange, donation, partition deed, intestate succession, will, cession, assignment, lease, court order or insolvency, irrespective of whether such alienation is subject to a suspense or resolute condition, and alienation shall have a corresponding meaning.

2.2.3. "Annual General Meeting (AGM)": Annual Meeting of the Members of the Company.

2.2.4. "Arbitration Act" The Arbitration Act, Act No. 42 of 1965, as amended.

- 2.2.5. "Association" The Company: Six Fountains Homeowners Association, NPC and "HOA" and Homeowners Association and Company shall have a cognate meaning.
- 2.2.6. "Auditors" The Auditors of the Company appointed by the Company, from time to time, in accordance with the Act.
- 2.2.7. "Authorized representative": A person duly authorized by a Company or other legal entity, to act as its representative at any General Meeting of the Company.
- 2.2.8. "Body Corporate" The bodies corporate in the Township established in terms of the provisions of the Sectional Titles Act 95 of 1986 and/or the Sectional Titles Schemes Management Act, 2011 (Act No 8 of 2011), and falling within the Township and which the Board of Directors have determined to be a body corporate for the purposes of this Memorandum of Incorporation; and "Bodies Corporate" shall be more than one such body corporate collectively.
- 2.2.9. "Business day" When any particular number of days is prescribed it shall be reckoned exclusively of the first and inclusively of the last day, unless the day happens to fall on a Sunday or on any public holiday, in which case the time shall be reckoned exclusively of the first day and exclusively also of every Sunday or public holiday.
- 2.2.10. "Chairperson" Means the Chairperson of the Board of Directors, elected in accordance with this Memorandum of Incorporation or if that expression is used with reference to a General Meeting or meeting of the Board of Directors, at which that person is not present or does not act as Chairman in accordance with the provisions of this Memorandum of Incorporation.
- 2.2.11. "City Council" The city council and/or local substructure and/or local authority having jurisdiction over the Township.
- 2.2.12. "Cluster Unit" A dwelling Unit situated on its own portion of a subdivided stand as registered in the deeds registry but excluding a Sectional Title Unit.
- 2.2.13. "Common Property": Refers to the Common Property Areas in the Township, including all the infrastructure, amenities and equipment of any nature, developed an/or installed on the Common Property Areas and within servitude areas registered in favour of the Company, that are owned by the Company and for which the Company bears the responsibility to maintain, such as, amongst others, the streets, streetscapes, pavements, fencing, security fencing and systems, entrance gate, electrical reticulation, sewerage reticulation, storm water reticulation and any equipment or amenities used ancillary to such Common Property Areas, including gardens and buildings.
- 2.2.14. "Common Property Areas" Means those areas transferred to or registered in the name of the Company and located in the Township or those areas within the Township, including the Units.
- 2.2.15. "Directors" The Directors of the Company, who shall for the purpose of the Act be the Directors of the Company and registered as Directors at the Companies and Intellectual Registration Office, and a reference to the "Board" or "Board of Trustees" or "Board of Directors" shall be the Trustees or Board in meeting and "Trustee", or "Director" shall mean any one of them.

- 2.2.16. "Debt" Any amount howsoever arising, owed by a Member to the Company, including but not limited to amounts owed in respect of levies (of whatsoever nature) and/or penalties and/or interest and/or legal costs; and will include service costs, contributions, penalties, legal costs or interest or any other payment due to the company in terms of this Memorandum of Incorporation or the rules or otherwise.
- 2.2.17. "Deliver" The Company may give notice to any Member either personally, or by sending it by prepaid registered post, addressed to the Member at the address of the owner's stand or to such other address (postal or electronic) as he may have advised the Company.

Any notice shall be deemed to have been served on the Member if the notice is transmitted electronically directly to that person in a manner or form such that the notice can be printed by the person within reasonable time and at a reasonable cost.

Any notice by post shall be deemed to have been served at the time when the notice was posted, and in proving the giving of the notice by post, it shall be sufficient to prove that the letter containing the notice was properly addressed and posted.

In proving such notice, the registration slip issued by the post office shall suffice. Electronic communication will carry the meaning set out in Section 1 of the Electronic Communications and Transactions Act, Act 25 of 2002 or as amended.

When a given number of days' notice or notice extending over any other period is required to be given, the period shall be calculated by excluding the first day and including the last day.

- 2.2.18. "Developer" Uniqon Wonings (Pty) Ltd, a company having limited liability and duly incorporated in terms of the provisions of the Companies Act.
- 2.2.19. "Disciplinary Code" As been envisaged in the Memorandum.
- 2.2.20. "Domicilium citandi et executandi" of each owner shall be the address of the owner's stand registered in its name, provided that such owner shall be entitled from time to time to change the said domicilium (postal or electronic), but that any new domicilium selected shall be situated in the Republic and that the change will only be effected on receipt of written notice thereof by the Homeowners Association.
- 2.2.21. "Extraordinary General Meeting: All General meetings other than the AGM shall be called Extraordinary General Meeting ("EGM").
- 2.2.22. "Levies: Means all contributions levied from time to time by the Board of Directors upon Members for the purpose of meeting all the expenses which the Company has incurred or which the Board of Directors reasonably anticipate the Company will incur in the attainment of its objects and the pursuit of its business, and as more fully stipulated in the Memorandum of Incorporation, and will include service costs, contributions, penalties, fines, legal costs or interest or any other payment due to the company in terms of this Memorandum on Incorporation or the rules or otherwise.

- 2.2.23. "Management" Any person(s) or body appointed by the Company to undertake the administrative and management functions of the Company.
- 2.2.24. "Member" A Member of the Company, as referred to more fully in clause 8 of the Memorandum of Incorporation.
- 2.2.25. "MOI" The Memorandum of Incorporation of the Company (and "Memorandum") shall have a cognate meaning.
- 2.2.26. "Prescribed officer": Person who exercises general executive control over and management of the whole, or a significant portion, of the business and activities of the company and regularly participates to a material degree in the exercise of general executive control over and management of the whole, or significant portion, of the business and activities of the company.
- 2.2.27. "Popi Act" Protection of Personal Information Act (or POPI Act).
- 2.2.28. "Property" An erf, whether consolidated or comprising a sub-division, as improved or unimproved land and including any buildings and/or outbuildings; and a Sectional Title Unit; and a Cluster Unit; and whether used for residential or business purposes (or both) and further as may be defined in terms of the applicable Town Planning Scheme with respect to the Township.
- 2.2.29. "Resident(s)": Means a person in occupation of a Unit or stand on a temporary or permanent basis by agreement with and/or consent from the Member of a relevant Unit or through his affiliation or association with such Member.
- 2.2.30. "Rules of Conduct" Any rules made pursuant of the Memorandum of Incorporation.
- 2.2.31. "Sectional Titles Act" Sectional Titles Act, Act No. 95 of 1986 and/or the Sectional Titles Schemes Management Act, 2011 (Act No 8 of 2011), as amended.
- 2.2.32. "Sectional Title Unit" A section shown as such on an approved sectional plan together with an undivided share in the common property as determined in accordance with the participation quota applicable to such section (and, if relevant, together with any exclusive use of a defined area of the common property), and as defined more fully in terms of the Sectional Titles Act.
- 2.2.33. "Sectional Title Property" A section shown as such on a registered Sectional Plan together with an undivided share in the common Property as determined in accordance with the participation quota applicable to such section and, if relevant, together with any exclusive use of a defined area of the common property, and as defined more fully in terms of the Sectional Titles Act 95 of 1986 and/or the Sectional Titles Schemes Management Act, 2011 (Act No 8 of 2011).
- 2.2.34. "Sectional Title Scheme" A sectional title scheme opened in accordance with the provisions of the Sectional Titles Act and comprising a number of sectional title properties, as will more fully appear from the relevant registered sectional plans and situate in the Township.
- 2.2.35. "Special Resolution" A resolution dealing with any amendment of the Memorandum of Incorporation and/or this Memorandum of Incorporation and/or amending the zoning and/or usage of any immovable Property owned by the Company, and as otherwise referred to in the Act and this Memorandum

of Incorporation passed at the applicable General Meeting and subject further to the provisions as dealt with more fully in this Memorandum of Incorporation.

- 2.2.36. "Township" The registered Township of Six Fountains and the proposed phases incorporating the townships of Six Fountains Extension 1, Six Fountains Extension 2 and Six Fountains Extension 3, and any further Extensions and "the Development" shall have a cognate meaning.
- 2.2.37. "Trustees" / "Directors: The Trustees of the Company, who shall for the purpose of the Act, be the Board of Directors of the Company, and a reference to the "Board" or "Board of Trustees" shall be the Trustees in meeting and "Trustee" shall mean any one of them.
- 2.2.38. "Vice-Chairperson" The Vice-Chairperson of the Board of Directors.
- 2.2.39. "Writing" or "Written" Written, printed, typewritten, lithographed, telefaxed, electronically mailed or any other process producing words in a visible form.
- 2.2.40. "Works" Construction Works of any sort, in relation to any improvement in the development, including amenities, landscape and environment roads and paths.

3. JURISTIC PERSONALITY

- 3.1 The company is incorporated and a Non-Profit company, as defined in the Act.
- 3.2 The company is incorporated in accordance with and governed by:
 - 3.2.1. The unalterable provisions of the Act, that are applicable to non-profitable Companies.
 - 3.2.2. The alterable provisions of the Act that are applicable to Non-Profit companies, subject to any limitation, extension variation or substitution set out in this Memorandum.
 - 3.2.3. The provisions of this Memorandum of Incorporation.

3.3 Memorandum of Incorporation and Company Rules

- 3.3.1. This Memorandum of Incorporation of the Company may be altered or amended in the manner set out in Section 16, 17 or 152(6)(b), subject to the provisions contemplated in Section 16(1)(c) and set out in Part D of Schedule 1.
- 3.3.2. The authority of the Company's Board of Directors to make rules for the Company, as contemplated in Section 15(3) to 15(5) is not limited or restricted in any manner by this Memorandum of Incorporation.
- 3.3.3. The Board must publish any rules made in terms of Section 15(3) to 15(5) by publishing a copy of those rules on the Company's website.
- 3.3.4. The Company must publish a notice of any alteration of the Memorandum of Incorporation or the Rules, made in terms of Section 17(1) by publishing a copy of the alteration on the Company's website.

- 3.4 The Common property in the case of the sectional title land shall vest in the body's corporate of the sectional title schemes which in their capacity as Members of the Company, shall be subject to the functions, powers, rules, jurisdiction, and control of the Company.

4. LIMITATION OF LIABILITY

No person shall solely by reason of being an incorporator, Member, or director of the Company, be liable for any liabilities or obligations of the Company. Each Member undertakes to contribute to the assets of the Company in the event of its being wound-up while he is a Member or within one year thereafter, for the purpose of payment of the debts and liabilities of the company an amount not exceeding R1,00 (one Rand).

5. POWERS OF THE COMPANY

- 5.1. The Company has all of the legal powers and capacity contemplated in the Act, and no provision contained in this Memorandum of Incorporation should be interpreted as limiting or restricting those powers in any way whatsoever.
- 5.2. The legal powers and capacity of the Company are not subject to any restrictions, limitation, or qualifications, as contemplated in section 19(1) (b) (ii).
- 5.3. The company if not subject to any provisions contemplated in Section 15(2) (b) or (c).
- 5.4. Upon winding up, deregistration or dissolution, the assets of the Company remaining after satisfaction of all its liabilities shall be transferred to some other association or institution having similar objects, or failing such determination, by the Court.

6. COMPANY RULES

- 6.1. In order to promote and implement the main business and main object of the Company and to ensure the beneficial management and conduct of the business of the Company and to further advance the interests of Members, the Board of Directors shall formulate and enforce House Rules, in respect of the Common Property of the Township.
- 6.2. Subject to the provisions of this Memorandum and any restriction imposed or direction given at a General Meeting of the Company, and without limiting the Board of Directors in their capacity to administrate the Company, the Board of Directors may from time to time make rules.
- 6.3. In order to achieve these objects, the Board of Directors shall enjoy power and jurisdiction over all person's, resident in and/or employed at the Township.
- 6.3.1. The individual Bodies Corporate shall enjoy the duty and obligation to promulgate their own Body Corporate Rules to promote harmonious co-existence within that specific Body Corporate, which Body Corporate Rules must be in compliance with the express provisions and underlying purpose of the Memorandum of Incorporation and House Rules.
- 6.3.2. To maintain all servitudes in favour of the owners of portions and in favour of any City Council and/or local substructure.
- 6.3.3. The preservation of the environment including the right to control vegetation, the right to prohibit and/or control the erection of fences, whether upon or within the boundaries of any properties.

- 6.3.4. The right to prohibit restrict and/or control the keeping of any animal which they regard as dangerous and/or a nuisance.
- 6.3.5. The conduct of Members and all other persons within the borders of the Estate for the prevention of nuisance of whatsoever nature and in order to maintain good neighbourly relations, including the regulations of the use of any noise-making equipment and/or appliances, including, but not limited to lawnmowers, power tools, televisions and/or radios, electronic equipment, lights, etc.
- 6.3.6. The preservation of the natural environment, vegetation, and flora in the Estate.
- 6.3.7. The preservation of the environment including the right to control vegetation, the right to prohibit and/or control the erection of fences, whether upon or within the boundaries of any properties.
- 6.3.8. For the furtherance and promotion of any of the objects of the Company and/or for the better management of the affairs of the Company and/or for the advancement of the interests of Members and/or residents in the Estate.
- 6.3.9. For the maintenance of all buildings, outbuildings, structures, security systems, improvements of any nature and landscaping with the Estate.
- 6.3.10. The construction and material specification of all improvements and in particular, without derogating from the generality of the afore going, structures of whatsoever nature, paving, pavements/sidewalks, installations of whatsoever nature, including, but not limited to, air-conditioning Properties, swimming pool pumps and/or filters, TV aerials and/or dishes, lighting, washing lines, refuse bins, carports, awnings, security systems and landscaping features, as well as the maintenance of all of the foregoing.
- 6.3.11. Access to and egress from the Township including any particular facilities or amenities within the Township.
- 6.3.12. The control of vehicular traffic of whatsoever nature, including parking.
- 6.3.13. Safety and other regulations applicable to the playing of any sport or engagement in any other recreational activity including, but not limited to, the use of balls and other sporting equipment, cycles, scooters, skateboards, etc.
- 6.3.14. The use of any recreational facility or other amenities.
- 6.3.15. The control and recycling of refuse, littering and other safety and anti-polluting related measures.
- 6.3.16. To control the right of way in favour of the owners.
- 6.3.17. The conduct of Members and all persons within the Estate including, but not limited to, the control of operations and movements of property practitioners, building contractors, sub-contractors, project managers, architects, engineers, landscapers, project managers and the employees and property practitioners of the afore going.

- 6.3.18. The control of visitors to the Estate including tenants, other occupiers of any Property, customers, clients, and patients of any business conducted on or from within the Estate.
- 6.3.19. The operations and activities of all businesses whatsoever conducted on or from within the Estate, including the methods of sale and advertising within the Estate.
- 6.3.20. The nature, method and location of any signage, posters, or other form of advertising.
- 6.3.21. In particular and without derogating from the generality of the other provisions herein contained, regulating the conduct of estate agents within the Estate, show houses, the control and movement of the estate agents and prospective buyers.
- 6.3.22. To maintain, as is near as practically possible, the Properties and/or Estate as initially approved by the City Council.
- 6.3.23. The standards and guidelines for security systems for all buildings, outbuildings, walls, and structures of any nature including the standards and guidelines for the installation of security systems.
- 6.4. For the enforcement of any rules made by the Board of Directors in terms hereof and for the payment of any debt due to the company, the Board of Directors may:
 - 6.4.1. Give notice to a Member or resident requiring payment within such reasonable period as the Board of Directors may determine.
 - 6.4.2. Take such steps as they may consider necessary to remedy the breach of the rule, or recover the debt, and debit the cost of doing so to the Member concerned, which amount shall be deemed to be a debt owing by the Member concerned.
 - 6.4.3. Impose a system of fines or penalties, provided that the amounts of such fines shall be reviewed and confirmed at each Annual General Meeting of the Company.
 - 6.4.4. Take any other action, including proceedings in Court, as they may deem fit in which event the Company shall be entitled to recover, on demand all legal costs so incurred from the Member concerned calculated as between attorney and own client.
- 6.5. The Company may in general meeting vary or modify any rules made by it or by the Board of Directors from time to time.
- 6.6. The Board must publish any rules made in terms of Section 15(3) to (5) by delivering a copy of those rules to each Member electronically or by ordinary mail or publish the rules electronically.
- 6.7. Rules of the Estate will be applicable to all property in the Estate, including Bodies Corporate.
- 6.8. For the enforcement of any of the rules made by the Board of Directors in terms of this clause, or of any of the provisions of this Memorandum generally, the Board of Directors may:

- 6.8.1. Give notice to the Member concerned requiring him to remedy such rule or provision of which the Member may be guilty.
- 6.8.2. Take such steps as they may consider necessary to remedy the breach of the rule or provision of which the Member may be guilty, and debit the cost of so doing to the Member concerned, which amount shall be deemed to be the debt owing by the Member concerned to the Company; and/or
- 6.8.3. Take such action including proceedings in court, as they may deem fit.
- 6.8.4. Impose, in their sole discretion, spot fines, other charge or impost on the Member concerned which the Board of Directors may deem appropriate.
- 6.8.5. In the event of the Board of Directors instituting any legal proceedings against any Member or resident on the land 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 or resident concerned, calculated as between attorney and own client, including tracing fees and collection commission.
- 6.8.6. In the event of the rules be breached by any of the Member's household and/or guests, lessees, servants, landscapers and/or their agents, such breach shall be deemed to have been committed by the Member himself. Without prejudice to the foregoing, the Directors may take such steps against the person actually committing the breach as they in their discretion may deem fit.
- 6.8.7. In the event of any Member disputing the fact that he has committed a breach of any of the rules, an ad hoc committee consisting of two (or more) Directors appointed by the Chairman for the purpose shall adjudicate upon the issue at such time and in such manner and according to such procedure (provided that natural justice shall be observed) as the Chairman may direct.
- 6.8.8. The decision of the Adjudication Committee shall be binding upon the Association and the affected Party and not capable of appeal; such decision of the Adjudication Committee shall enjoy the status and protection of an award under the Arbitration Act, Act No. 42 of 1965, as amended; and
- 6.8.9. Any party aggrieved by the decision of the Adjudication Committee may have such decision reviewed by a competent Court having jurisdiction. The duty to observe the time periods stipulated in sections 31 to 33 of the Arbitration Act are hereby expressly imposed upon the aggrieved party.
- 6.8.10. However, pending the finalisation of the review and the reversal of the decision of the Adjudication Committee, the decision of the Adjudication Committee shall be regarded as being binding upon and fully enforceable against the Association and the affected Party. Such Court may impose any costs order it deems appropriate against the unsuccessful party.
- 6.8.11. Fines levied against Members shall be payable together with the levies due at the commencement of the month following upon the month during which such fine was imposed.
- 6.8.12. Any fine imposed upon any Member shall be deemed to be a Debt due by the Member to the Company and shall be recoverable by ordinary civil process.

- 6.8.13. Notwithstanding anything to the contrary herein contained, the Board of Directors may in the name of the company enforce the provisions of any rules by civil application or action in a court of competent jurisdiction and for this purpose may appoint attorneys and counsel as they may deem fit. The Company shall be entitled to recover all legal costs so incurred from the Member or resident concerned, calculated as between attorney and own client, including tracing fees and collection commission.
- 6.8.14. The Company may in a General Meeting itself make any rules which the Board of Directors must implement and may in General Meeting vary or modify any rules made by itself or by the Board of Directors from time to time.
- 6.8.15. All Rules, including any amendment, addition, or deletion thereto, shall require the approval of Members at the AGM following any such amendment, addition or alteration.
- 6.8.16. The Board of Directors shall ensure the Rules are publicised in a manner which brings same to the attention of the Members, each Member nevertheless being responsible for ensuring that he is in the possession of a current set of all Rules.
- 6.8.17. In the event of the Member being a Body Corporate or Homeowner's Association, then it shall formulate its own rules relating to its Members, provided that, in the event of such rules being in conflict with the rules of this Memorandum, then the rules of this Memorandum shall prevail.
- 6.8.18. Any owner / Member / transferee will be obliged and liable to improve the Property, by erecting a dwelling on the Property in accordance with the building and architectural guidelines of Six Fountains Homeowner's Association. The construction of such improvements must commence within 3 (three) years, from date of registration of the applicable property into the owner / Member / transferee's name or the date of approval of this amendment by the Companies Intellectual Property Commission which ever date comes last in time. Failure to comply with the said obligation shall be subject to penalties equal to the current levy payable at any stage and time to the Homeowners Association, subject to any other penalties which be payable due and owing.

7. OPTIONAL PROVISIONS

The Company elects, in terms of Section 34(2), not to comply voluntarily with the extended accountability provisions set out in Chapter 3 of the Act.

8. MEMBERS OF THE COMPANY

8.1. Definition of Membership

The Company shall maintain at its registered office a register of Members of the Company. The register of Members shall be open for inspection.

- 8.1.1. Membership of the Company shall be limited to the Developer in its capacity as such, and to any other person who, in terms of the Deeds Registries Act, is reflected in the records of the applicable Deeds Office as being the registered owner of property in the Estate which will include a unit(s) registered in any sectional titles scheme in the Estate as contemplated in the Sectional Titles Act, Act No. 95 of 1986, as amended.

- 8.1.2. Where Property is owned by more than 1 (one) person, all the registered owners of that Property shall together be deemed to be collectively one Member of the Company and have the rights and obligations of one Member of the Company; provided however that all co-owners of any Property shall be jointly and severally liable for the due performance of any obligation to the Company:
- 8.1.2.1. Such co-registered owners shall designate one of them to represent such Member.
- 8.1.2.2. A Power of Attorney shall be provided to the Management evidencing such authority without derogating from the rights of such Member to provide a separate authority (proxy) for purposes of any General Meeting.
- 8.1.2.3. Where a Member is a legal entity (company, close corporation, or other entity, whether incorporated or unincorporated) such Member shall designate a person to represent it with respect to the Company.
- 8.1.2.4. A Power of Attorney shall be provided by such Member to the Management, without derogating from the rights with respect to the provision of a proxy for the purposes of any General Meeting.
- 8.1.3. A person shall become a Member of the Company upon transfer of Property into his name and such Membership shall ipso facto terminate when a Member ceases to be the owner of Property unless such Member owns any other Property or Properties.
- 8.1.4. The fact that a person ceases to be a Member of the Company as a result of the transfer of Property to another person, shall not release such Member from any liability to the Company in respect of any Debt, the cause of which arose prior to the transfer of such Property nor otherwise relieve such erstwhile Member from any other obligations owed to the Company during the period of his Membership.
- 8.1.5. A registered owner of the Property may not resign as a Member of the Company.
- 8.1.6. Each Member shall be required to provide the Company with written details of his postal address and if he so indicates, any facsimile number and/or e-mail address to facilitate delivery, it being competent for any Member to alter any such details by written notice to the Company at its registered office or care of Management provided, however, that any physical address and/or postal address for delivery purposes shall be in the Republic of South Africa.
- 8.1.7. As soon as all the stands in the Estate have been transferred to Owners the Developer shall be deemed to have resigned as a Member in accordance with the provisions of this Memorandum of Incorporation.
- 8.1.8. A Member shall not in any manner alienate an Erf unless it is a condition of any agreement of alienation that:
- 8.1.8.1. The proposed transferee has bound himself to become a Member of the Company for the duration of his ownership of the Erf or unit, and a clearance certificate has been issued by the Company to the effect that the Member has complied fully with this Memorandum of Incorporation in all respects.

8.1.8.2. The registration of an Erf into the name of the transferee shall ipso facto constitute the transferee as a Member of the Company.

8.1.9. The provisions of clause 8.2 shall apply mutatis mutandis to any alienation of an undivided share in an Erf.

8.2. Rights and Obligations of Members

8.2.1. Members who have paid all debts due and payable to the Company shall have the right to vote at all meetings of the Company. A Member shall not have the right to vote or be elected as a Member of the Board of Directors at any General Meeting, if:

8.2.1.1. Such Member is in arrears with any Levies, service costs, contributions, penalties, fines, legal costs or interest or any other payment due to the company in terms of this Memorandum on Incorporation or the rules or otherwise.

8.2.1.2. Such Member is in breach with all of his obligations towards the Company in terms of this Memorandum of Incorporation or the rules and has failed to remedy such breach after having been called upon by the Company, in writing, to remedy such breach and he remains in breach.

8.2.2. Members shall elect the Board of Directors annually at the Annual General Meeting of the Company.

8.2.3. The rights and obligations of a Member shall not be transferable, provided that nothing contained in this Memorandum of Incorporation shall prevent a Member from ceding his rights in terms of this Memorandum of Incorporation as security to the mortgagee of that Member's Property, and every Member shall:

8.2.3.1. Further the objects and interest of the Company to the best of his ability.

8.2.3.2. Observe all rules made by the Company and/or the Board of Directors, whether such rules form part of the Memorandum of Incorporation alternatively whether they form part of any Rules of Conduct or otherwise.

8.2.4. Members shall diligently and promptly comply with the obligations imposed in terms of this Memorandum of Incorporation and observe all rules referred to in this Memorandum and shall be obliged to ensure compliance therewith by their families, employees, agents, contractors, tenants (including any other occupiers of property), visitors and guests (which shall include, in the case of any Member who conducts any form of business or profession on or from property, his customers, clients and patients).

8.2.5. No Member shall let or otherwise part with the occupation of his Property, whether temporarily or otherwise, unless such proposed tenant or occupier of the property has agreed in writing to be bound by and observe the terms and conditions of this Memorandum of Incorporation including the Rules referred to in Article 6. Such obligations to comprise a stipulatio alteri in favour of the Company, without derogating from the liability and responsibility of the Member for the acts and omissions of such proposed tenant or occupier as referred to in Article 8.2.4 above.

- 8.2.6. Members shall not interfere with nor give instructions to any officer, employee, agent or contractor of the Company and Management, and any complaints shall be addressed in writing to Management.

9. LEVIES

- 9.1. The Board of Directors may from time to time determine the levies payable by the Members for the purposes of meeting all the expenses to which the Board of Directors reasonably anticipate the Company will put in the attainment of its objects or the pursuit of its business.
- 9.2. Notice of any proposed levy increase shall be provided not less than 15 (Fifteen) days prior to the Annual general meeting. Such notice shall include an estimate of the amount required by the Company to meet current and long-term expenses. The proposed levy increase shall be tabled for approval at the Annual general meeting prior to implementation.
- 9.3. At every Annual General Meeting the Company shall approve, with or without amendment, the estimate of income and expenditure of the Company for the ensuing financial year and shall determine the amount estimated to be required to be levied upon the Members during the ensuing financial year.
- 9.4. Within fourteen days after each Annual General Meeting the Board of Directors shall advise Members in writing of the amount payable. Such amount shall thereupon become payable in instalments, as determined by the Board of Directors.
- 9.5. Each levy shall be payable in equal monthly instalments, due in advance on the first day of each and every month. The levy shall be payable by new Members on a pro-rata basis from date of transfer of the property to the Member.
- 9.6. The Board of Directors may from time to time impose special levies upon the Members in respect of all expenses which are not included in any estimate made in terms of Article 9.1 and may in imposing such levies determine the terms of payment thereof. Notice of any special levy payment shall be provided not less than 21 (twenty-one) days prior to implementation and shall require approval by majority vote of the Board of Directors of the Company.
- 9.7. The Board of Directors shall be empowered to impose fines in respect of non-compliance with the provisions of this Memorandum of Incorporation and/or the Rules of Conduct and/or to charge interest on any arrear levies and/or fines and to determine the rate of interest from time to time chargeable upon such arrear levies, which shall be in addition to such other rights as the Company may have in law as against its Members, provided that such interest shall not exceed the rate determined in accordance with the provisions of the National Credit Act (34 of 2005), as amended.
- 9.8. The Board of Directors shall adopt a system of calculating levies which promotes easy and accurate administration.
- 9.9. Any amount due by a Member by way of levy and interest shall be a debit due to the Company. The obligation of a Member to pay a levy and interest shall cease upon his ceasing to be a Member without prejudice to the company's right to recover arrear levies and interest.

- 9.10. A Member's successor in title to property shall be liable, as from the date upon which he becomes a Member pursuant to the transfer of that Property to him, to pay the levies and interest attributable to that Property with effect from the date of transfer.
- 9.11. That all levies, interest, and other amounts due have been paid in full up to and including the end of the month during which such contemplated registration of transfer of such Property will take place; and
- 9.12. That the proposed purchaser has agreed to be bound by the provisions of this Memorandum of Incorporation and/or the applicable Rules.
- 9.13. No land in the scheme shall be capable of being transferred without a certificate first being obtained from the company confirming that:
 - 9.13.1. All levies, interest, and any amounts due to Six Fountains have been paid up.
 - 9.13.2. The conformation of Six Fountains that all rules have been adhered to so far as applicable.
 - 9.13.3. The new owner had bound him/herself to the satisfaction of Six Fountains to the Memorandum of Incorporation of Six Fountains.
- 9.14. The principles applicable in terms of the Sectional Titles Act with regard to the issue of a Clearance Certificate shall apply mutatis mutandis to any Clearance Certificate required to be obtained in respect of the transfer of any Property in the Township.
- 9.15. A Member shall be liable for and pay all legal costs, including costs as between attorney and own client, collection commission, expenses and charges incurred by the Company in obtaining the recovery of arrear Levies, penalties, fines, interest or any other arrear amounts due and owing by such owner to the Company or enforcing compliance with the Act, the provisions of this Memorandum of Incorporation, or the Rules.
- 9.16. The amount of any Debt shall enjoy the preference accorded any similar Debt due to the Body Corporate in terms of the Sectional Titles Act in conformity with the provisions of the Insolvency Act, No. 24 of 1936, as amended, and as otherwise may apply in law.
- 9.17. The Board of Directors may from time to time determine a charge to be levied against Members in arrears, as an administration charge payable to the company or to the Managing Agent. Any administration charges levied can be subject to review of the Board of Directors.
- 9.18. Management shall be entitled to levy an administration fee, in respect of the issue of each such Clearance Certificate and similarly in respect of any extended Clearance Certificate.
- 9.19. All payments made by a Member and received by the Company shall be allocated firstly towards interest and legal costs and thereafter towards capital. All payments will be allocated to the debt newest in time. The Board reserves the right to allocate payments as they deem fit.
- 9.20. The obligation of the developer to pay any levy in respect of unsold land in the scheme of which it is the registered owner shall terminate upon the sale and transfer of not less than 100 per cent in number of all the portions of land comprised in the scheme.

- 9.21. No Debt paid by a Member shall under any circumstances be repayable by the Company upon his ceasing to be a Member.
- 9.22. Levies shall only be payable in respect of portions of the land registered for residential purposes.
- 9.23. Where a Sectional Title Scheme has been established, the levies shall be charged to and payable by the individual owners of the sections in respect of every unit. In such a Sectional Scheme, the Board of Directors shall be entitled to levy an additional administration charge with respect to the rendering of the individual levies' statements to such owners.

9.24. Levy Determination

- 9.24.1. In calculating the levy payable by any individual Member, the Board of Directors shall take into account all current and reasonably anticipated expenses of the Company and determine a levy by dividing the aggregate of such expenses by the number of Members.
- 9.24.2. These provisions do not detract from the power and duty of each separately constituted Body Corporate to impose a levy, on the constituent individual Sectional Title units and/or cluster units, as envisaged by the Sectional Titles Act and/or the participation quota, whichever is applicable.

10. MEMBERS' AUTHORITY TO ACT

If, at any time, every Member of the Company is also a director as contemplated in section 57(4), the authority of the Members to act without notice or compliance with any other internal formalities is not limited or restricted by this Memorandum of Incorporation.

11. MEMBERS' RIGHT TO INFORMATION

- 11.1. Subject to the rights of Membership prescribed by the Act, Membership shall confer upon each Member the right to:
- 11.1.1. Nominate and elect the Board of Directors of the Company.
 - 11.1.2. Receive copies of the annual financial statements of the Company.
 - 11.1.3. Receive notice of, attend, speak and vote at a general meeting of the Company.
 - 11.1.4. Disclosure of any information to any Member is subject to the Protection of Personal Information Act No 4 of 2014, any other applicable legislation and regulations including the Companies Act and the Directors discretion if all Members interest is at stake as well as Sec 24 and 26 of the Companies Act.

12. PROXIES AND RESPRESENTATIVES

- 12.1. A Member may be represented at a General Meeting by a proxy, to attend, speak and vote at a meeting on his behalf.
- 12.2. A proxy need not be a Member of the Company.

- 12.3. The instrument appointing a proxy shall be in writing or, if the appointer is a body corporate, under the hand of the authorized representative. A proxy need not be witnessed. Whether he is himself a Member or not, the holder of a general or special power of attorney given by a Member shall, if duly authorized under that power to attend and take part in meeting and proceedings of the Company, be entitled to attend general meeting and to speak and vote thereat. The proxy for a person to represent a legal entity (Trust, Company, or Close Corporation) must be accompanied by a written resolution resolving to authorize the natural person to attend, speak and vote in person or by proxy at a General Meeting. The Proxy is to be accompanied by the written resolution.
- 12.4. A form of proxy may be issued at the company's expense only if it is sent to all Members who are entitled to attend and vote at a meeting to which the proxy form relates.
- 12.5. The instrument appointing a proxy (and the power of attorney or other authority under which it is signed), shall be delivered to the Association or its designated representative, and preferably at least forty-eight hours (excluding Saturdays, Sundays and Public Holidays) prior to the commencement of the Meeting at which the person named in the proxy instrument proposes to vote. Proxies will be accepted via a designated e-mail address in accordance with the Electronic Communications and Transactions Act, as amended. No proxy instrument will be accepted by the Association after the commencement of the meeting.
- 12.6. Unless the contrary is stated, the form appointing a proxy shall be valid for each adjournment of a meeting to which it relates.
- 12.7. No instrument appointing a proxy shall be valid after the expiration of 6 (six) months from the date on which it was signed unless specifically states to the contrary in the instrument of proxy itself.
- 12.8. The instrument appointing a proxy may be in any usual or common form approved by the Board of Directors but shall be so worded that the holder thereof may vote for, against or abstain from voting on any one or more of the resolutions proposed at the meeting at which the proxy is to be used.
- 12.9. A Members' proxy may delegate the proxy's power to another person as set out in section 58(3)(b).

13. RECORD DATE FOR EXERCISE OF MEMBERS RIGHTS

If, at any time, the Company's Board of Directors fails to determine a record date as contemplated in section 59, the record date for the relevant matter is as determined in accordance with section 59 (3).

14. RESOLUTIONS PASSED AS IF IN GENERAL MEETING

- 16.1. Subject to the provisions of the Act, a resolution in writing signed by the majority of the Members entitled to receive notice and to attend and vote at the General Meeting shall be as valid and effective as if it had been passed at a General Meeting duly called and constituted. A resolution in terms of this Article may consist of several documents of the same form, each of which is signed by one or more Members in terms of this Article and shall be deemed to have been passed on the date of signature thereof by the last Member entitled to sign it.

15. REQUIREMENT TO HOLD MEETINGS

- 15.1. The Company is required to hold an Annual General Meeting within nine months after the expiration of the financial year of the Company.
- 15.2. Other general meetings of the Company may be held at any time. All general meetings other than the AGM shall be called Extraordinary General Meetings ("EGM").
- 15.3. In addition to any other matters required by the Act or in terms of this Memorandum of Incorporation to be dealt with at an AGM, the following matters shall be dealt with at every AGM:
 - 15.3.1. The consideration of the Chairman's report.
 - 15.3.2. The election of the Board of Directors.
 - 15.3.3. The consideration of any other matters raised at the meeting, including any resolutions proposed for adoption by such meeting and the voting upon any such resolutions.
 - 15.3.4. The consideration of the budget of the Company for the following financial year(s), and
 - 15.3.5. The consideration of the accounts of the Company for the preceding financial year; and
 - 15.3.6. The consideration of the report of the Auditors and the fixing of the auditor's remuneration.

16. MEMBERS RIGHT TO REQUIRE A MEETING

- 16.1. The right of Members to require a meeting, as set out in Section 61 (3) of the Act.
- 16.2. Should the Board of Directors fail within 14 (fourteen) days from the date of lodging of the requisition to issue a notice as required above, the requisitionists or any of them numbering more than 50 percent of the total voting rights of all of them as at that date, may themselves on 21 (twenty one) days' notice convene a EGM, stating the objects thereof, but no EGM so convened shall be held after the expiration of 3 (three) months from the said date.

17. LOCATION OF MEMBERS MEETINGS

The authority of the Company's Board to determine the location of any Members meeting as set out in Section 61(9) of the Act is not limited or restricted by this Memorandum of Incorporation.

18. NOTICE OF MEMBERS MEETINGS

- 18.1. The minimum number of days for the Company to deliver a written notice of a Members meeting to the Members, is fifteen business days before the meeting is to begin.
- 18.2. The written notice shall specify the place, the day and the hour of the meeting and shall be given in the manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under these Memorandum of Incorporation, entitled to receive such notices from the Company; and

- 18.3. Provided that a meeting of the Company shall, notwithstanding the fact that it is called by shorter notice than that specified in this Article, be deemed to have been duly called if it is so agreed by a majority in number of the Members having a right to attend and vote at the applicable general meeting, being a majority holding not less than 95 per cent (Ninety five per cent) of the total voting rights of all the Members.
- 18.4. In so far as this Memorandum of Incorporation does not provide the Company is bound by the provisions of Section 186 of the Act in respect of the notice of meetings and resolutions.
- 18.5. The accidental omission to give notice of a general meeting or of any resolution, or to give any other notification, or present any document required to be given or sent in terms of these presents, or in terms of the Act, or non-receipt of any such notice, notification or document by any Member or other person entitled to receive the same, shall not invalidate the proceedings at any meeting or shall not invalidate any resolution passed at any meeting.
- 18.6. It is sufficient if the notice is transmitted electronically directly to the Member in a manner and form such that the notice can conveniently be printed by the recipient within a reasonable time and at a reasonable cost.

19. ELECTRONIC PARTICIPATION IN MEMBERS MEETING

The authority of the Company to conduct a meeting entirely by electronic communication, or to provide for participation in a meeting by electronic communication as set out in section 63 is not limited or restricted by this Memorandum of Incorporation.

This includes the calling of a vote by the Members by means of an electronic or written vote.

20. QUORUM FOR MEMBERS MEETINGS

- 20.1. The quorum requirements for any General meeting to begin, or for a matter to be considered as specified in Section 25 shall be 5 per cent (five per cent) of the Members present in person or proxy, and entitled to vote, of which at least 2 (two) shall be directors of the Company.
- 20.2. The quorum requirements for any special resolution shall be 15 per cent (fifteen) of the Members present in person or proxy, and entitled to vote, of which at least 2 (two) shall be directors of the Company.
- 20.3. If within half an hour (30 minutes) after the time appointed for the meeting a quorum is not present, the meeting shall be adjourned to 7 (seven) days later.
- 20.4. If the seventh day in the next week is not a business day, the adjourned meeting shall be held, as indicated on the immediately succeeding business day.
- 20.5. The Chairman of a meeting at which a quorum is present may (and shall if so, directed by the meeting) adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than business left unfinished at the meeting at which the adjournment took place. Subject to the Act, when a meeting is adjourned it shall not be necessary to give notice thereof.
- 20.6. The company is not required to give further notice of a meeting that is postponed or adjourned in terms of subsection (20.2), unless the location for the meeting is different

from the location of the postponed or adjourned meeting; or a location announced at the time of adjournment, in the case of an adjourned meeting.

- 20.7. If at the adjourned meeting a quorum is not present within 30 (Thirty) minutes from the time appointed for holding the meeting, the Members present shall constitute a quorum.

21. MEMBERS RESOLUTIONS

- 21.1. For an ordinary resolution to be adopted at a Members meeting, it must be supported by more than 50% of the Members who voted on the resolution, as provided in section 65 (7).
- 21.2. For a special resolution to be adopted at a Members meeting, it must be supported by at least 60 (sixty) per cent of the Members who voted on the resolution, as provided in section 65 (7).
- 21.3. No matters, except those matters set out in section 65 (11) require a special resolution adopted at a Members' meeting of the Company.
- 21.4. Subject to the provisions of these Memorandum of Incorporation, no person other than a duly registered Member who has paid every levy and other sum, if any, which is due and payable to the Company in respect of or arising out of his Membership and who is not under suspension, shall be entitled to present or vote on any question at any general meeting.

21.5. Conduct of Meetings

The Board of Directors may, from time to time, by way of the Rules of Conduct of the Company, determine the Meeting Procedures which shall be properly documented as such and complied with at all General Meetings. This will include rules regarding meetings of the Board of Directors.

22. BOARD OF DIRECTORS

- 22.1. The Board of Directors shall consist of not less than five or more than ten Directors.
- 22.2. Only Members of the Company or their spouses may be nominated and elected as Members of the Board of Directors. The Board of Directors may however co-opt non-Members to serve in an advisory capacity to the Board of Directors from time to time as per special skills needed.
- 22.3. Nominations by Members for the election of Directors at an Annual General Meeting shall be given in writing on a form prescribed by the Board of Directors, accompanied by the signed consent of the Member nominated, so as to be received at the domicilium of the Company or at the office of the Company's Manager not later than 48 hours before the meeting. In the case where not five nominations were received 48 hours before the meeting, the chairperson may during the meeting request nominations with the consent of the nominee, from the meeting.
- 22.4. No Member may be nominated or appointed or elected as a Director should any contributions payable by him/her specified in this Memorandum have not been duly paid; or he/she persisted in breach of any of the conduct rules notwithstanding written warning by or on behalf of the Board of Directors to refrain from breaching such rule(s).

- 22.5. No Director may hold office he/she is: In arrears for more than thirty days with any levies and contributions payable by him and if he fails to bring such arrears up to date within seven days of being notified in writing to do so or in breach of Rules of Conduct as well as the Board's Ethical Code.
- 22.6. A Director, by acceptance of his appointment to the office as such, shall be deemed to have agreed to be bound by all the provisions of this Memorandum of Incorporation.
- 22.7. Unless specifically agreed to the contrary and determined by the Members in General Meeting, the Board of Directors shall not be entitled to remuneration for services rendered in their capacities as such, save for the exemption from payment of levies. The authority of the Association to pay remuneration to the Directors, in accordance with a Special Resolution approved by the Association's Members, and as set out in section 66 (8) and (9) of the Companies Act, is not further limited, or restricted in any way by this Memorandum of Incorporation. Directors shall be entitled to be refunded all reasonable and bona fide expenses incurred by them respectively in or about the performances of their duties as Directors.
- 22.8. Each appointed director shall hold office from the date of his appointment until the Annual General Meeting following his appointment, at which meeting each Director shall be deemed to have retired from office but shall, subject to nomination, be eligible for re-election to the Board of Directors.
- 22.9. A Director shall be deemed to have vacated his office upon his/her having become disqualified to act as a director in terms of the Act.
- 22.10. Should a vacancy occur in the office of Chairperson, the Vice-Chairperson shall assume that office, and the Board of Directors will co-opt additional Director and elect a new Vice-Chairperson.
- 22.11. Upon any vacancy occurring in the Board of Directors prior to the next Annual General Meeting, the vacancy in question shall be filled by a person nominated and co-opted by the remaining Directors for the time being.
- 22.12. The Board reserves the right to enter into discussions with any Member of the Board regarding the desirability of the Member's continued Membership of the Board. The Board may request any Member of the Board to resign if such Member failed or neglected to attend three scheduled meetings without an apology offered in advance.

23. AUTHORITY OF THE BOARD OF DIRECTORS

- 23.1. The authority of the Company's Board of Directors to manage and direct the business and affairs of the Company, as set out in section 66 (1) is not limited or restricted by the Memorandum of Incorporation.
- 23.2. Unless otherwise resolved by way of a Special Resolution, any General Meeting or the Act, the Board of Directors are authorized and empowered to:
- 23.2.1. Appoint and dismiss Management, staff, contractors and personnel as defined above.
- 23.2.2. Delegate powers to Management, including, but not limited to, the power to appoint and dismiss employees other than senior employees.

- 23.2.3. In addition to any co-option of Board of Directors in accordance with the relevant provisions, the Board of Directors are empowered to co-opt, in an advisory capacity, any person, who need not be a Member, for such purpose and period, which shall not extend beyond the AGM following upon such co-option, as may be determine.
- 23.2.4. To institute legal proceedings for the recovery of any debt and defend any legal proceedings brought against the Company. The institution of any legal proceedings, other than for the recovery of a debt, and engagement in any other legal proceedings, however, shall be determent by the Budget.
- 23.2.5. To open and conduct a banking account/s for purposes of the Company's business.
- 23.2.6. To disburse, from the bank account/s such operational and capital expenditure as approved in the Budget, and/or as raised by way of any additional and/or special levies, and as otherwise may be authorized by an Extraordinary General Meeting.
- 23.2.7. To enforce compliance with the provisions of the Memorandum of Incorporation and the House Rules and to adjudicate any dispute arising there from.
- 23.2.8. To enter into contracts necessary for the purposes of the main business and implementation of this Memorandum of Incorporation.
- 23.2.9. To appoint any Standing and ad hoc committees as deemed necessary, and to delegate to such Committees such powers and authorities as may be considered necessary, subject to any restrictions imposed or directives given at any General Meeting.
- 23.2.10. To terminate any Committee and/or revoke and/or amend any appointments to such committees and/or the delegations of authority to such Committee, from time to time, as deemed necessary.
- 23.2.11. The Board of Directors may meet to attend to their business, adjourn, and otherwise regulate their meetings, as they think fit, subject to the provisions of this Memorandum of Incorporation.
- 23.2.12. To generally do and cause to be done anything which is required, to give effect to the spirit and purport of the Memorandum of Incorporation, MOA and the House Rules.
- 23.2.13. The Board of Directors shall have the right to vary, cancel or modify its decisions and resolutions from time to time.

24. MEETINGS: BOARD OF DIRECTORS

- 24.1. The Board has the power to consider any matter and adopt any resolution other than at a meeting as set out in section 74 and, accordingly, any decision that could be voted on at a meeting of the Board may instead be adopted by the written consent of a majority of the Directors, provided that each Director has received notice of the matter to be decided.
- 24.2. The Board of the Company must call a meeting if required so by at least two directors.

- 24.3. A Director may not otherwise delegate any of his obligations, save as approved by a majority of the other Directors.
- 24.4. The Board has the power to conduct a meeting entirely by electronic communication, as set out in section 73(3) provided that the electronic communication facility enables all persons participating in the meeting to communicate concurrently with each other.
- 24.5. A majority of the serving elected directors must be present at a meeting before a vote may be called at a meeting of the Directors.
- 24.6. The Board of Directors shall, at their first meeting or thereafter, as they may determine, elect a Chairperson and such Deputy Chairperson(s) as they shall consider necessary or appropriate and determine the period for which he or she or they are to hold office and appoint Members of committees.
- 24.7. In addition to such other powers and duties as may be delegated to him or her by the Board from time to time, the Chairperson shall:
- 24.7.1. Preside and maintain order at all meetings of the Board, provided that if, on the date and place appointed for a meeting, the Chairperson is not present within fifteen minutes after the time appointed for the commencement of that meeting, a deputy Chairperson shall so preside or if he or she is similarly absent, then the Directors then present shall elect one of their number to act as Chairperson for that meeting.
- 24.7.2. Appoint the time and place of each meeting of the Board and, subject to these regulations, may convene the Board for the dispatch of business, or adjourn or otherwise regulate the meetings of the Board as he or she may deem fit.
- 24.7.3. Ensure that each meeting of the Board is duly convened and constituted and that the provisions of these regulations and any rules made by the Board for the conduct of meetings are adhered to and that the proper procedure is duly followed.
- 24.7.4. Convene a meeting of Board of Directors, on not less than 5 (five) days' notice, upon the request of any 3 (three) or more Directors.
- 24.8. Any resolution passed by the Board of Directors shall be carried by a simple majority.
- 24.9. Should there be an equality of votes for and against any resolution; the resolution shall be deemed to have been defeated.
- 24.10. The Board of Directors shall cause the minutes of each meeting to be kept in accordance with Section 204 of the Act, which minutes shall be reduced to Writing within 7 (Seven) days and certified as correct by the Chairperson at the next meeting.
- 24.11. A copy of each minute shall be delivered by the Chairperson to each Director within 14 (Fourteen) days of the meeting to which such minutes relate.
- 24.12. All minutes of Board of Directors meetings shall, after certification, be placed in the Board of Directors Minute Book which shall be kept by Management.
- 24.13. The Board of Directors' Minute Book shall be open for perusal at all reasonable times by any Director, the Auditors and Members.

24.14. Subject to the provisions of this Memorandum of Incorporation, the proceedings of any Board of Directors meeting shall be conducted in such reasonable manner and form as the Chairperson shall direct.

24.15. Resolution signed by all the Members of the Board of Directors shall be valid in all aspects as if it had been duly passed at a meeting of the Board of Directors.

24.16. A Member of the Board shall not be entitled to appoint any alternate Member to function in his stead for any purpose nor by proxy or otherwise appoint any other person to fulfil his functions and duties.

25. INDEMNIFICATION OF DIRECTORS

25.1. Advance expenses to a Director or prescribed officer or directly or indirectly indemnify a director in respect of the defence of legal proceedings, as set out in Section 78(4).

25.2. Indemnify a director or prescribed officer in respect of liability as set out in section 78(5); and/or

25.3. Purchase insurance to protect the company or a director or prescribed officer as set out in section 78(7).

26. OFFICERS AND COMMITTEES OF THE BOARD

The Board may:

26.1. Appoint committees of directors and delegate to any such committee any of the authority of the Board as set out in Section 72(1), and/or

26.2. Include in any such committee persons who are not directors, as set out in section 72(2) (a), and the power of the Board in this regard is not limited or restricted by this Memorandum of Incorporation.

26.3. The authority of a committee appointed by the Board as set out in Section 72(2) (b) and (c) is not limited or restricted by the Memorandum of Incorporation.

27. ACCOUNTING RECORDS

27.1. The directors shall keep accounting records as are necessary to present the state of affairs and business of the Company and to explain the transactions and financial position of the Company.

27.2. The Company's accounting records shall be kept in such place as the directors think fit and shall at all reasonable times be open to inspection by the directors and by past directors but, in the case of the latter only in respect of the period during which they held office as directors.

27.3. The Auditors shall be required to affect the annual audit of the Company within 6 (SIX) months of the financial year-end of the Company and shall otherwise be entitled to affect such interim audits and/or examine the accounts of the Company as directed by the Board of Directors.

27.4. The appointment and duties of the Auditors shall be in conformity with the Act, the appointment and remuneration of the Auditors to be made and confirmed at each AGM.

28. ANNUAL FINANCIAL STATEMENTS

28.1. A copy of the annual financial statement shall be tabled at the Annual General meeting and shall, not less than 15 (fifteen) working days before the date of that meeting, be sent to every Member and every holding of debentures of the Company.

28.2. Each year, a company must prepare annual financial statements within six months after the end of its financial year, or such shorter period as may be appropriate to provide the required notice of an annual general meeting.

28.3. The annual financial statements must be audited by an auditor as set out in the Auditing Profession Act but does not include an "independent review" of annual financial statements, as contemplated in section 30 (2) (b) (ii) (bb) of the Act.

29. CONSTITUTION

The constitution of the Company may be amended from time to time and must be in accordance with the Memorandum of Incorporation of the Company and the provisions of the Company Act.

30. MANAGING AGENT

30.1. The Board of Directors shall, in addition to the powers contained herein, have the power from time to time, if deemed necessary, to appoint in terms of a written contract, a Managing Agent to control, manage and administer the Estate and to exercise such powers and duties as may be entrusted to the Managing Agent, including the power to collect levies, provided that a Managing Agent may be appointed for three years at a time. Unless the Board of Directors notify the Managing Agent to the contrary, such appointment will be automatically renewed.

30.2. The Board of Directors shall ensure that there is included in the contract of appointment of a Managing Agent a provision to the effect that if the Managing Agent is in breach of any of the provisions of his contract or if he is guilty of conduct which at common law would justify the termination of a contract between master and servant, the Board of Directors may, without notice, cancel such contract of employment and the Managing Agent shall have no claim whatsoever against the Board of Directors and/or the Company as a result of such cancellation.

31. THE DISCIPLINARY CODE

31.1. The Board of Directors shall be responsible for the wording and enforcement of all Rules including the Disciplinary Code.

31.2. The Board of Directors shall be entitled to impose upon Members such penalties in respect of non-compliance with or other breach of the Rules and/or with respect to a breach of the obligations imposed upon Members in terms of this Memorandum of Incorporation, as shall be determined by the Board of Directors from time to time.

31.3. The Disciplinary Code comprises:

- 31.3.1. A protocol relating to warnings providing for the Delivery of a written notice (demand) requiring offenders to remedy any stipulated breach of the Memorandum of Incorporation and/or Rules to be remedied within a reasonable period and failing which, a prescribed process of enforcement of sanctions (including the imposition of a penalty/penalties) shall be implemented.
- 31.3.2. A schedule indicating the sanctions and specifying the penalties or other penalties which shall be imposed or levied in the event of a remedied breach, as specified, or otherwise to be imposed at the discretion of the Board of Directors.
- 31.4. The prescribed procedures in this regard are as follows:
- 31.4.1. A Member who disputes that he has committed a breach of any obligation in terms of this Memorandum of Incorporation and/or the Rules, shall be entitled to Deliver a submission, in Writing, to the Board of Directors within a period of not more than 30 (thirty) days from the date of expiry of the period of demand contained in the notice Delivered to the affected Member.
- 31.4.2. A meeting of the Board of Directors shall be convened as soon as reasonably possible after receipt of the submission referred to in clause 31.4.1.
- 31.4.3. The proceedings at such a meeting of Board of shall comply with the principles of natural justice; and
- 31.4.4. The decision of the Board of Directors shall be final and binding upon the Company and the affected Member.
- 31.5. The Board Directors shall be entitled to delegate any of their powers and/or responsibilities in terms of clauses 30.1, 30.2 and 30.3 to a sub-committee consisting of Directors, a Member of Management and the person appointed by the Company to undertake the administrative functions of the Company to which the penalty relates.
- 31.6. The prescribed procedures relating to disputes in respect of the Board of Directors' decisions referred to in clause 31.4 are as follows:
- 31.6.1. Should the affected Member be aggrieved by the decision of the Board of Directors he shall be entitled, within 14 (fourteen) days of receipt of delivery of Written notification of the Board of Directors' decision, request that such decision be referred to the parties' (being the Board of Directors on the one hand, and the affected Member, on the other hand) respective legal representatives for resolution.
- 31.6.2. Should the parties' legal representatives not, within 14 (fourteen) days be able to resolve the dispute, the dispute shall be referred to arbitration as follows:
- 31.6.2.1. The arbitrator shall be an expert appointed by agreement between the parties' legal representatives and failing agreement, be appointed by the Secretariat of the Arbitration Foundation of South Africa (AFSA) and shall be adjudicated in accordance with its commercial rules.
- 31.6.2.2. The arbitrator acting as an expert shall be entitled in his discretion to determine the nature and format of the arbitration, the basis on which any submissions and/or pleadings shall be provided, the presentation of

evidence, discovery and the like, and with a view to the expeditious disposal of the arbitration within 21 (twenty-one) days.

31.6.2.3. It shall be competent for the arbitrator to furthermore relax the application of the applicable rules and in particular with regard to evidence in order to ensure an expeditious determination of the matter provided, however, that the rules of natural justice are adhered to.

31.6.2.4. The arbitrator shall be entitled to make an award in respect of the costs of the arbitration.

31.6.2.5. Notwithstanding the foregoing, each of the disputants shall be required to provide, in advance, a pro-rata proportion of the arbitrator's costs, the costs of the arbitration venue, the recording and transcription services.

31.6.2.6. The arbitrator's award shall, absent any manifest error, be final and binding upon the parties and shall not be subject to review or appeal.

31.6.2.7. The arbitrator's award shall be maintained as confidential provided, however, that should the award not be complied with, an aggrieved party shall be entitled to have such award made an order of a competent Court and to enforce same.

31.6.2.8. The provisions of this clause dealing with disputes and arbitration are severable from the remaining provisions of these Rules (and Memorandum of Incorporation) and shall apply notwithstanding that the disputant has ceased to be a Member for whatever reason; and

31.6.2.9. Neither the Company nor the affected Member shall be prevented from seeking any urgent or interim relief from a competent Court.

31.7. The provisions of this shall continue to apply in circumstances where the affected Member ceases to be a Member at any time after receipt of the Written notice referred to in clause 30.31.

31.8. Nothing to the contrary herein contained excepted, should a Member fail to remedy a breach of the Memorandum of Incorporation and/or Rules despite Written notice, the Board of Directors may take such steps as are deemed necessary to remedy such breach (and where relevant, prevent any further recurrence) and to recover all reasonable costs incurred in connection therewith from the effected Member (and which amounts shall comprise of a Debt). The aforesaid costs will be paid on an attorney and client scale and may include collection commission of up to 10% (10 per cent) of the Debt.

31.9. The Member remains responsible and liable for any breaches committed by a family Member, employee, agent, tenant, contractor, subcontractor, visitor, or guest (including any customer, client, or patient) whilst in or about the Township.

31.10. The Board of Directors shall ensure that Management delivers or otherwise publicizes the Rules in a manner which brings same to the attention of the Members, each Member nevertheless being responsible for ensuring that he is in possession of a current set of Rules.

- 31.11. Any penalties levied against Members shall be payable together with the levies due at the commencement of the month following upon the month during which such penalty was imposed.
- 31.12. The Board of Directors may make, amend, or repeal any Rules by publishing the Rules, amendment, or repeal thereof.
- 31.13. Any Rules, amendment or repeal thereof takes effect on the later of 20 days after publishing or the date specified in the Rule, amendment, or repeal thereof. The amended Rule or repeal thereof, will be binding on an interim basis from the time it takes effect until it is approved during the next AGM of the Company.

32. INDEMNITIES

- 32.1. Every Director, servant, agent and employee of the Company and Management, and their employees, shall be indemnified by the Company against all costs, losses and expenses, inclusive of travelling expenses, which such person or persons may reasonably and necessarily incur or become liable for by reason of any contract entered into or by any act or deed done by such person or persons in the discharge of their respective duties and obligations to the Company, and in the case of a Director, including his duties as Chairperson or Vice-Chairperson and otherwise as a Member of any committee.
- 32.2. The provisions as set out in clause 31.1 shall similarly apply insofar as every co-opted Director and Member of any committee appointed by the Board of Directors are concerned as the Company indemnifies all such persons accordingly.
- 32.3. Without prejudice to the generality of the foregoing, the Company indemnifies every such Director or other person against all losses of whatsoever nature incurred arising out of any bona fide act, deed or letter done or written by him jointly or severally in connection with the discharge of his duties.
- 32.4. Members conversely indemnify the Company and/or Management and their respective officers, employees and agents in respect of any claims, damages or losses, including, but not limited to, costs and interest, suffered or sustained as a result of any unlawful act, negligence, including, but not limited to, any act or omission, and/or as a result of any breach of the provisions of this Memorandum of Incorporation and/or the Rules, by the Member, his family, employees, agents, contractors, sub-contractors, tenants, and other occupiers of the Property, guests and visitors, including, but not limited to, any customer, client or patient, and which act, omission and/or breach occurs, if relevant, in and about the Township.
- 32.5. The Board of Directors may in terms of the Rules require that every person, other than a Member and his family who form part of the household, as a precondition to entry to the Estate, complete and sign a Written indemnity, in a form approved by the Board of Directors, in which the Company and/or Management and their respective officers, employees and agents are indemnified and held harmless in respect of any claims, damages or losses, including any personal injury or other harm occurring or arising in or about the Township.
- 32.6. The Board of Directors shall further be entitled to implement such measures and effect such insurances pertaining to all risks, whether insurable or otherwise and shall procure that the Company is covered by such short term insurances, including, but not limited to, public liability cover, as is determined necessary from time to time, the right further being reserved to deal with the afore going in terms of the Rules.

33. INCOME AND PROPERTY OF COMPANY

The Income and Property of Company whence so ever derived shall be applied solely towards the promotion of its main object, and no portion thereof shall be paid and/or transferred, directly or indirectly, by way of dividend, bonus, or otherwise, to the Members of the Company and/or to a Member's holding company and/or to a Member's subsidiary company: Provided that nothing herein contained shall prevent the payment in good faith of reasonable remuneration to any officer or servant of the Company or to any Member thereof in return for any services actually rendered to the Company.

34. DIVIDENDS

As a nonprofit company no dividends shall be declared or paid by the Company.