

MEMORANDUM OF INCORPORATION

OF

Mount Edgecombe Country Club Estate

Management Association 1 NPC

Registration No.: 92/03562/08

Referred to in this Memorandum of Incorporation as “the Company”

This Memorandum of Incorporation:

- A. Is in a form unique to the Company;
- B. Was adopted by Special Resolution of the Members on the 11th day of July 2013;
- C. Shall take effect on the date on which the Memorandum is filed as envisaged in Section 16(9)(b);
- D. Is in substitution for the existing Memorandum and Articles of Association of the Company.

1. DEFINITIONS AND INTERPRETATION

In this Memorandum of Incorporation, -

- 1.1 a reference to a Section by number refers to the corresponding Section of the Companies Act, 2008;
- 1.2 words that are defined in the Companies Act, 2008, bear the same meaning in this Memorandum as in that Act;
- 1.3 unless the context otherwise requires –
 - 1.3.1 **"Act"** means the Companies Act, 2008, as amended or any legislation which replaces it, and any Regulations in force thereunder from time to time;
 - 1.3.2 **"Board"** means the Board of Directors of the Company for the time being;
 - 1.3.3 **"Body Corporate"** means a Body Corporate as defined in Section 1 of the Sectional Titles Act and a homeowners' association;
 - 1.3.4 **"Business Day"** means any day other than a Saturday, Sunday or an official public holiday in South Africa;
 - 1.3.5 **"Company"** means Mount Edgecombe Country Club Estate Management Association 1 NPC, a non-profit company registered under the company laws of the Republic of South Africa under registration number 92/03562/08;
 - 1.3.6 **"Conduct Rules"** means rules for the management of the Estate as provided for in Article 8.6 subject to any restriction imposed or direction given at a general meeting of the Company;
 - 1.3.7 **"Directors"** means the Directors of the Company for the time being;
 - 1.3.8 **"Dwelling"** means a sectional title Unit under the provisions of the Sectional Titles Act or a residential building together with all outbuildings and all other structures used in connection therewith which has been erected on a freehold stand in the Estate;

- 1.3.9 **“Electronic Communication”** has the meaning set out in Section 1 of the Electronic Communications and Transactions Act, 25 of 2002;
- 1.3.10 **“Estate”** means the property indicated by the shaded areas on drawing no 5078T/A3 dated April 1999 titled “Mount Edgecombe Golf Course Estate 1” as prepared by Messrs Wall, Marriott, Paul & Borgen Chartered Surveyors, and in extent 40,8494 (FORTY COMMA EIGHT FOUR NINE FOUR) hectares;
- 1.3.11 **“Finance Committee”** means a committee appointed by the Board whose power shall be delegated to it by the Board and whose function shall be as determined in this Memorandum of Incorporation;
- 1.3.12 **“Manager”** means the person, corporation, association or company appointed by the Company, from time to time, to undertake the management of the Estate.
- 1.3.13 **“Member”** means a person or entity referred to in Article 3 who has specified rights in respect of the Company as contemplated in Item 4 of Schedule 1 of the Companies Act, 71 of 2008; it being recorded that:-
- 1.3.13.1 In the case of joint Owners, the person nominated in terms of Article 3.1.5 and, failing or pending such nomination, the first named person on the document of title in respect of the Unit which is jointly owned [or its nominee if such first named joint Owner is a juristic person], shall be deemed to be the representative Member [and as such also the representative of the other joint Owners] for the purposes hereof, provided that all joint Owners shall be bound by this Memorandum of Incorporation;
- 1.3.13.2 Where the Owner is a juristic person, its nominee shall be deemed to be the representative Member for the purposes hereof;
- 1.3.14 **“Memorandum”** means this Memorandum of Incorporation;
- 1.3.15 **“Office”** means the registered office of the Company for the time being;

- 1.3.16 **“Ordinary Resolution”** means a resolution adopted with the support of at least 50% (FIFTY PERCENT) of the voting rights exercised on the resolution at a general meeting of the Members of the Company, provided that at least 15 (FIFTEEN) Business Days written notice specifying the proposed resolution has been given to Members;
- 1.3.17 **“Owner”** means any person who is the registered Owner of a Unit or a purchaser who has entered into a written contract with a seller to purchase a Unit and all suspensive conditions under such purchase contract have been fulfilled, provided such contract of sale is still of full force and effect and binding between the parties;
- 1.3.18 **“Regulations”** means Regulations published pursuant to the Companies Act;
- 1.3.19 **“Scheme”** means the official Municipal/Provincial/National Town Planning Scheme applicable to the Mount Edgecombe area as amended from time to time;
- 1.3.20 **“Sectional Titles Act”** means the Sectional Titles Act, 95 of 1986, as amended and any regulations in force thereunder from time to time;
- 1.3.21 **“Services”** means water, sewerage, refuse removal, electricity, security, maintenance of common property, garden maintenance and such other utilities or Services as are provided by the Company or any other supplier of Services to the Estate, from time to time;
- 1.3.22 **“Service Provider”** means a person or entity rendering Services or providing goods at or on the Estate to whomever;
- 1.3.22 **“Special Resolution”** means a resolution adopted with the support of at least 75% (SEVENTY FIVE PERCENT) of the voting rights exercised on the resolution at a general meeting of the Members of the Company, provided that at least 15 (FIFTEEN) Business Days written notice specifying the proposed resolution has been given to Members;
- 1.3.23 **“Unit”** means, in relation to the Estate:- a] a sectional title Unit under the provisions of the Sectional Titles Act; b] a subdivision capable of individual ownership, as the case may be. [It is recorded that when a subdivision is developed in terms of a sectional title scheme, the single Unit constituted by the subdivision will convert into

a number of separate Units represented by each sectional title Unit created on the said subdivision.]

- 1.4 the headings of any of the Articles are intended for reference purposes only and shall not influence the interpretation of this Memorandum;
- 1.5 words importing the singular shall include the plural; words importing the masculine, feminine and neuter shall include the others of such genders; and words importing persons shall include Bodies Corporate, and *vice versa* in each instance;
- 1.6 words and expressions used and not otherwise defined in this Memorandum shall have the meaning assigned to them by the Act;
- 1.7 if the provisions of this Memorandum are in any way inconsistent with the provisions of the Companies Act, the provisions of the Companies Act shall prevail, and this Memorandum shall be read in all respects subject to the Companies Act.

2. INCORPORATION AND NATURE OF THE COMPANY

2.1 INCORPORATION

- 2.1.1 The Company is a pre-existing non-profit Company with Members as defined in the Act and, as such, continues to exist as a non-profit Company as if it had been incorporated and registered in terms of the Act, as contemplated in Item 2 of the Fifth Schedule to the Act, and this Memorandum replaces and supersedes the Memorandum and Articles of Association of the Company;
- 2.1.2 The Company is incorporated in accordance with, and governed by-
- 2.1.3 the unalterable provisions of the Companies Act, 2008, that are applicable to non-profit companies;
- 2.1.4 the alterable provisions of the Companies Act, 2008, that are applicable to non-profit companies, subject to any limitation, extension, variation or substitution set out in this Memorandum;

2.1.5 the provisions of this Memorandum

2.2 **OBJECTS OF THE COMPANY**

The object of the Company is to manage the collective interests common to all its Members, which includes expenditure applicable to the common immovable property of such Members and the collection of levies for which such Members are liable, and to provide, advance and protect the communal interests of Owners of immovable property and Owners of sectional title Units entitling them to the exclusive use of immovable property included in the Estate known as the Mount Edgecombe Country Club Estate 1, and to provide, promote and maintain essential and community Services, amenities and activities within the said Estate.

2.3 **POWERS OF THE COMPANY**

2.3.1 The powers of the Company are limited by its objects referred to in Article 2.2 above;

2.3.2 In pursuing its objects, the Company has all the legal powers of an individual that are capable of being exercised by a juristic person.

2.4 **VARIATION OF MEMORANDUM**

2.4.1 This Memorandum may be amended only by Special Resolution adopted at a Members' meeting or in terms of a court order;

2.4.2 Amendments to this Memorandum may be proposed by the Board or by at least 25 (TWENTY FIVE) Members;

2.4.3 The Board shall have the power to alter this Memorandum to the extent necessary to correct patent errors in spelling, punctuation, reference, grammar or similar defects, as envisaged in Section 17. A notice of such alteration must be sent to each

Member at least 10 (TEN) Business Days prior to the filing of the notice of alteration with the Commission.

2.5 **FINANCIAL YEAR**

The financial year end of the Company shall be 31 March.

2.6 **CALCULATION OF BUSINESS DAYS**

When a particular number of Business Days is provided for, the number of days must be calculated by excluding the first day and including the last day.

3. **MEMBERSHIP**

3.1 **MEMBERSHIP OF COMPANY**

3.1.1 **Membership Obligatory:** Membership of the Company is obligatory for an Owner.

3.1.1.1 A proposed purchaser or acquirer shall apply for membership in the manner prescribed by the Company from time to time.

3.1.2 **Transferee to be Acceptable as a Member:** No Owner shall transfer a Unit unless it is a condition of such transfer that the proposed purchaser or acquirer, as the case may be, in a manner acceptable to the Company, agrees to become a Member and is admitted as a Member in terms of Article 3.2.1.

3.1.3 **MEMBERSHIP OF MOUNT EDGECOMBE COUNTRY CLUB (“the Club”):**

3.1.3.1 No person shall become an Owner of a Unit unless such person has applied to become and does in fact become a residential Member of the Club. Club entrance fees and debentures will be set by mutual agreement between the Company and the Club.

- 3.1.4 Alienation of a Unit: In order to procure compliance with the provisions of this Memorandum, it shall be registered as a condition of ownership of a Unit that no Unit shall be alienated without the written consent of the Company first being had and obtained, which consent shall be given if the proposed purchaser or acquirer is or will be admitted as a Member of the Company and particularly that the proposed purchaser or acquirer undertakes to pay the required contribution to the levy stabilisation fund and agrees to abide by this Memorandum and Conduct Rules, and further, that the proposed seller has fulfilled all his obligations to the Company. For the purposes of this Article “alienate” means to alienate any Unit or part thereof, and includes by way of sale, exchange, donation, will, cession, assignment or court order, irrespective as to whether such alienation is voluntary or involuntary, and further irrespective as to whether such alienation is subject to a suspensive or resolutive condition. In the case of a juristic person such as a company, close corporation or trust, a material change in the “beneficial ownership” or in the “controlling interest” thereof shall be deemed to constitute an alienation for the purposes of this Memorandum and, in the event of there being any dispute as to whether there has been a material change in beneficial ownership or in the controlling interest, the decision of the Board shall be binding on the juristic person.
- 3.1.5 Membership of Co-Owners: In the event of any Unit being owned in undivided shares by more than one Owner, such co-Owners shall nominate one of them to be the Member for the purposes of this Memorandum provided that all joint Owners shall be bound by this Memorandum as if they were Members.
- 3.1.6 Membership of Juristic Persons [Corporate Owners]: Where a Unit is owned by a juristic person such as a company, close corporation or trust, such juristic person shall be obliged, by written notice to the Board of Directors of the Company, to nominate one natural person to represent the said Owner and such natural person shall, for the purpose hereof, be deemed to be the representative Member of the Company and shall be bound to ensure that the Owner and all of its invitees shall comply fully with the provisions of this Memorandum and with any Conduct Rules pertaining to the Estate from time to time.

3.1.7 Membership Resignation not Permitted: A Member may not tender resignation of his membership of the Company.

3.2 ADMISSION OF MEMBERS

3.2.1 The Members of the Company, who are all voting Members, shall be those persons who, from time to time, become Members in accordance with the provisions of this Memorandum.

3.2.2 The admission to membership of a proposed purchaser or acquirer of a Unit is hereby conferred upon the Board.

3.3 RIGHTS AND DUTIES OF MEMBERS

3.3.1 Subject to the rights of membership as prescribed by the Act, membership of the Company shall confer upon each Member, unless otherwise stipulated, the following rights:

3.3.1.1 the right to access the information as set out in Section 26(1) of the Act;

3.3.1.2 the right to receive notices of, attend and speak at all general meetings of the Company, whether ordinary or extraordinary, in accordance with the provisions of this Memorandum and the Act;

3.3.1.3 the right to vote, either personally or by proxy, at all general meetings of the Company in accordance with the provisions of this Memorandum.

3.3.2 No Share of Profits: No Member shall, by reason of membership of the Company, be entitled to share in or receive any profit of the Company.

3.3.3 In the event of a Member in any way disposing of a Unit, such Member shall ensure that the proposed purchaser or acquirer of such Unit becomes a Member of the Company and undertakes to be bound by and comply with all the terms and

conditions contained in this Memorandum and Conduct Rules made in terms hereof, in such manner as prescribed by the Company from time to time.

3.4 **CESSATION OF MEMBERSHIP**

3.4.1 Membership of the Company shall cease:

3.4.1.1 upon a Member ceasing to be an Owner;

3.4.1.2 upon the issue of a final order of sequestration or liquidation of the Member concerned;

3.4.1.3 upon the death of a Member, or upon the Member being declared insane or incapable of managing his affairs;

3.4.2 In the event of a Member ceasing to be a Member in terms of Article 3.4.1.2 or Article 3.4.1.3 the legal representative of such Member shall, for all purposes, be recognised and be bound as the Member under this Memorandum.

3.5 **LIABILITY OF EACH MEMBER**

The liability of each Member as a Member of the Company, shall be limited to R1,00 (ONE RAND) together with such other amount as may be owing by a Member to the Company, from time to time, from whatever cause arising.

3.6 **REGISTER OF MEMBERS**

The Company shall maintain at its Office a register of Members as provided in Section 24 of the Act. The register of Members shall be open to inspection by Members as provided for in Section 26(6) of the Act.

4. GENERAL MEETINGS

4.1 ANNUAL GENERAL MEETING

4.1.1 The Company shall hold a general meeting in every year as its annual general meeting on such date and at such time and place as may be determined by the Board, and shall specify the meeting as such in the notice calling it, provided, however, that the annual general meeting shall be held not later than 6 (SIX) months after the end of each financial year of the Company, and provided that not more than 15 (FIFTEEN) months shall elapse after the holding of the preceding annual general meeting.

4.1.2 All general meetings, other than annual general meetings, shall be called extraordinary general meetings.

4.1.3 The Board of the Company may convene an extraordinary general meeting at any time it deems fit, as provided for in Section 61(1).

4.1.4 The Board of the Company must, in terms of Section 61(3) of the Act, call a Members' meeting if one or more written and signed demands for such a meeting are delivered to the Company and –

4.1.4.1 each such demand describes the specific purpose for which the meeting is proposed; and

4.1.4.2 in aggregate, demands for substantially the same purpose are made and signed by the holders, as of the earliest time specified in any of those demands, of at least 25 (TWENTY FIVE) Members.

4.1.5 If the Company is unable to convene a meeting as required in terms of Section 61 of the Act because it has no Directors, or because all of its Directors are incapacitated, then the Manager is authorised to convene the meeting.

4.2 **NOTICE OF GENERAL MEETING**

4.2.1 Notice of a Members' meeting, complying substantially with the provisions of Section 62(3) of the Act, (for both annual general meetings and extraordinary general meetings) shall be delivered to each Member at least 15 (FIFTEEN) Business Days before such meeting, in writing, and shall specify the date, time and place and the record date for the meeting. Notice shall be given in the manner provided for in this Memorandum or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under this Memorandum, entitled to receive such notices from the Company.

4.2.2 The authority of the Board to determine the location of any Members' meeting, and the authority of the Company to hold such meeting, is restricted by this Memorandum to the Mount Edgecombe Country Club Estate.

4.2.3 The authority of the Company to conduct a meeting entirely by electronic participation or to provide for participation in a meeting by electronic communication, as set out in Section 63, is excluded by this Memorandum.

4.3 **PROCEEDINGS AT GENERAL MEETINGS**

4.3.1 **BUSINESS**

The annual general meeting shall deal with and dispose of all matters prescribed by the Act, including the consideration of the annual financial statements and the estimates of income and expenditure and levies for the ensuing year, a decision on the number of Directors and election of Directors when such decision is required in accordance with the provisions of this Memorandum, and the appointment of an auditor, and may deal with any other business of which due notice has been given. All business laid before any other general meeting shall be considered special business.

4.3.2 **QUORUM**

4.3.2.1 No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. The quorum for a general meeting of the Company shall be 25 (TWENTY FIVE) Members entitled to vote and personally present.

4.3.3 **ADJOURNMENT OF GENERAL MEETINGS**

4.3.3.1 Adjournment when quorum is not present: If within half-an-hour after the time appointed for the meeting, a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved; in any other case it shall stand adjourned to a date not earlier than 7 (SEVEN) Business Days and not later than 15 (FIFTEEN) Business Days after the date of the meeting and if at such adjourned meeting a quorum is not present within half-an-hour after the time appointed for the meeting, the Members present in person or represented by proxy shall be a quorum.

4.3.3.2 Adjournment when quorum is present: The chairman may, with the consent of any 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 shall be transacted at any adjourned meeting other than the business left unfinished at the meeting at which the adjournment took place. When a meeting is adjourned, the provisions of Articles 4.3.3.1 and 4.3.3.3 shall *mutatis mutandis* apply to such adjournment.

4.3.3.3 Notice for Adjourned Meeting: Where a meeting has been adjourned in terms of Article 4.3.3.1 or Article 4.3.3.2 as aforesaid, the Company shall, upon a date not later than 3 (THREE) Business Days after the adjournment, notify Members as provided for in this Memorandum as to:

4.3.3.3.1 the date, time and place to which the meeting has been adjourned;

4.3.3.3.2 the matter before the meeting when it was adjourned; and

4.3.3.3.3 the grounds for the adjournment.

4.3.3.4 Record Date for Exercise of Members Rights

If, at any time, the Company's Board fails to determine a record date as contemplated in Section 59, the record date for the relevant matter is 16:00 2 (TWO) Business Days prior to the meeting or happening of the event.

4.3.4 **CHAIRMAN**

Chairman of Meetings: The chairman, if any, of the Board shall preside as chairman at every general meeting of the Company. If there is no such chairman, or if at any meeting he is not present within 15 (FIFTEEN) minutes after the time appointed for holding the meeting or is unwilling to act as chairman, the Members shall elect one of their number to be chairman.

4.3.5 **VOTING**

Show of Hands/Poll: At any 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 on declaration of the result of the show of hands) by the chairman or by 1 (ONE) Member; and, unless the poll is so demanded, the declaration by the chairman that a resolution/election has, on a show of hands been carried/won (unanimously or by a particular majority) or failed, and an entry to that effect has been made in a book containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution/election. The demand for a poll may be withdrawn. Every Member present or represented by proxy shall have 1 (ONE) vote. In the case of election of Directors where more than the required number of candidates have been nominated, as well as on any other matter that the Board so chooses, the voting shall be by poll. Scrutinisers shall be elected by the meeting to determine the result of the poll. Members shall not be obliged to vote for a specific number of candidates and may in their discretion only vote for the candidate of their choice.

4.3.6 **PROXIES**

4.3.6.1 The instrument appointing a proxy shall be under the hand of the appointer and shall be in such form as the Directors shall approve.

4.3.6.2 No one person may hold more than 2 (TWO) proxies for voting purposes.

4.3.6.3 The instrument appointing a proxy shall be deposited at the office of the Company by hand, by telefax or electronic communication (e-mail) not less than 24 (TWENTY FOUR) hours before the time for the holding of the meeting at which the person named in such instrument purports to attend or vote pursuant thereto or in respect thereof. An instrument which fails to comply shall be treated as invalid for the purpose of attending or voting at the meeting or any adjournment thereof. No instrument appointing a proxy shall be valid after the expiration of 12 (TWELVE) months from the date of its execution, unless the proxy otherwise provides.

4.3.6.4 A vote in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy, provided no intimation in writing of the death or revocation shall have been received at the Office or by the chairman of the meeting before the vote is given.

4.3.6.5 The authority of a Member to appoint persons concurrently as proxies is excluded.

4.3.6.6 A proxy may not delegate the proxy's authority to act on behalf of the Member to another person.

5. **INSPECTION OF MINUTES**

5.1 The Company shall maintain the notice and minutes of all Members' meetings, including all resolutions adopted by them, for 7 (SEVEN) years after the date each such resolution was adopted.

5.2 Such notice and resolutions adopted may be inspected and copied by Members as provided for in Section 26(1) of the Act.

6. DIRECTORS

6.1 The Number of Directors and the election thereof shall be determined from time to time by the Members in general meeting subject to the following constraints:

6.1.1 The Company shall have a minimum of 5 (FIVE) Directors.

6.1.2 Continuity Directors: The retiring Board each year shall nominate, at their discretion, 2 (TWO) existing Directors to serve on the incoming Board for the ensuing year.

6.1.3 Retiring Directors shall be eligible for re-election.

6.2 Duration of Directorship: Save for the Directors nominated in terms of Article 6.1.2, each Director shall hold office until the annual general meeting following his appointment, whereupon his appointment shall lapse. However, each retiring Director shall be eligible for re-election.

6.3 Retirement/Resignation: If, as a result of retirement, resignation or otherwise, the total number of Directors falls below the number prescribed in Article 6.1.1, the Board shall act promptly to bring the number of Directors up to the prescribed level.

6.3.1 Any failure by the Company, at any time, to have the minimum number of Directors required by the Act or this Memorandum, does not limit or negate the authority of the Board or invalidate anything done by the Board or the Company.

6.4 Removal of Director: Any Director may be removed by an Ordinary Resolution.

6.5 Filling of Vacancy on the Board: The Board may, within 45 (FORTY FIVE) days of the date upon which a vacancy occurs, appoint a person who satisfies the requirements for election as a Director to fill any vacancy and serve as a Director of the Company on a temporary basis until the vacancy has been filled by election.

6.6. Co-option to the Board: The Directors shall have the power to co-opt persons onto the Board for the purposes of assisting the Directors in carrying out any of their functions. Any person so co-opted onto the Board shall not be entitled to vote on any matter which comes up for consideration by the Board.

6.7 Election of Chairman and Vice Chairman: The chairman and vice chairman shall be elected by the Directors, from their number, at their first meeting following the general meeting at which the election of Directors occurred.

7. DIRECTORS REMUNERATION

7.1 A Director shall not directly or indirectly receive any remuneration for his services as a Director of the Company, provided that nothing in this Memorandum shall prohibit him from reimbursement of all reasonable travelling, subsistence and other expenses properly incurred by him in the execution of his duties in or about the business of the Company and which is authorised or approved by the Board.

7.2 If any Director commits a breach of Article 7.1, he shall forthwith cease to be a Director and shall not be eligible for re-election.

8. POWERS AND DUTIES OF DIRECTORS

8.1 General Duties: The business and affairs of the Company shall be managed by the Board which may, on behalf of the Company, pay all expenses incurred in promoting and incorporating the Company and may exercise all such powers of the Company as are not required by the Act, or by this Memorandum, to be exercised by the Company in general meeting. Without in any way derogating from the generality of the foregoing, the Board shall be entitled to exercise, on behalf of the Company, all and any of the common powers, subject only to any contrary stipulation contained from time to time in this Memorandum.

- 8.2 Appointment of Manager/Officials/Consultants: The Board may from time to time entrust to and confer upon the Manager, or any other designated official of the Company or consultant or any other person or firm, for the time being, such of the powers and authorities vested in it as it may think fit, and may confer such powers and authorities for such time and to be exercised for such objects and purposes and subject to such terms and conditions and restrictions as it may think expedient, and it may confer such powers and authorities either collaterally or to the exclusion of, or in substitution for, all or any of the powers and authorities of the Directors and may from time to time revoke or vary all or such powers and authorities.
- 8.3 Without in any way affecting the generality of Article 8.1 the Board shall have the power to enter into contracts and agreements with third parties to give proper effect to the provisions of this Memorandum.
- 8.4 The Board may, pursuant to its rights, obligations and duties in terms of this Memorandum and as provided for and contemplated under this Memorandum, incur such expenditure as is necessary and/or requisite and howsoever arising to enable it to give proper effect to the provisions of this Memorandum.
- 8.5 Restriction of Board's Powers: The Company in general meeting shall have the right to limit and restrict the powers of the Board, provided that no resolution of the Company shall invalidate any prior act of the Board which would otherwise have been valid.
- 8.6 Right to Make/Amend Rules/Penalties: The Board shall have the power to make Conduct Rules from time to time, as well as the power to substitute, add to, amend or repeal same, for the management, control, administration, use and enjoyment of the Estate, for the purpose of giving proper effect to the provisions of this Memorandum and for any other purpose which powers shall include the right to impose reasonable financial penalties to be paid by those Members who fail to comply with the provisions of this Memorandum or the Conduct Rules.

- 8.7 The Board must publish any proposed Conduct Rules by delivering a copy of the proposed Conduct Rules to each Member;
- 8.8 Any Conduct Rules proposed by the Board will take effect on a date specified in the Conduct Rules;
- 8.9 Any Conduct Rules that takes effect as contemplated in this Article will remain binding on an interim basis until put to the vote at the next general meeting of the Company and will become permanently binding if ratified by an Ordinary Resolution.
- 8.10 Subject to any restriction imposed or direction given at a general meeting of the Company, and without detracting from the generality of Article 8.6, the Conduct Rules may deal with amongst others the following matters :
 - 8.10.1 the conduct of Members and persons within the Estate and the prevention of nuisance of any nature to any Owner in the Estate.
 - 8.10.2 the use, preservation, and upkeep of the environment, land, common open spaces, recreational areas, roads, etc.,
 - 8.10.3 the design guidelines for the erection of all buildings and other structures,
 - 8.10.4 the design guidelines for the establishment, installation and maintenance of gardens, both public and private,
 - 8.10.5 the use, upkeep, aesthetics and maintenance of residences and public buildings,
 - 8.10.6 the right to keep and the control of pets,
 - 8.10.7 the lease/sale of Units,
 - 8.10.8 the use by Owners of a residence, and the maximum number of persons allowed to reside in any Dwelling,
 - 8.10.9 any other matter as may, in the opinion of the Directors, require to be regulated.

- 8.11 Remedy for Breach of Conduct Rules: The Company may take or cause to be taken such steps as it may consider necessary to remedy the breach of any Conduct Rules of which a Member may be guilty and debit the costs of so doing to the Member concerned, which amount shall be deemed to be a debt owing by the Member to the Company. In addition, the Company may impose a system of fines or other penalties. The amounts of such fines and/or penalties shall be determined by the Board from time to time.
- 8.12 Breach of Conduct Rules by Visitors: In the event of any breach of the Conduct Rules by any guests, invitees or other persons while occupying a Unit, or while going upon the Estate, such breach shall be deemed to have been committed by the Member and the Company shall be entitled to take such action as it may deem reasonably necessary against the responsible Member.
- 8.13 Enforcement of Conduct Rules through Court Action: Notwithstanding the foregoing, the Board may, in the name of the Company, enforce the provisions of any Conduct Rules by an application in a court of competent jurisdiction and for this purpose may appoint such attorneys or counsels it may deem fit.
- 8.14 Conduct Rules to be Reasonable: Any Conduct Rules made by the Board shall be reasonable, and shall apply equally to all Owners of Units.
- 8.15 Conduct Rules Binding on All Members: The Conduct Rules made by the Board from time to time, in terms of the powers granted to it, shall be binding on all Members.

9. MINUTES

- 9.1 The Directors shall, in terms of the Act, cause minutes to be kept:
- 9.1.1 of all appointments of officers;
- 9.1.2 of names of Directors present at every meeting of the Company and at every meeting of the Directors; and
- 9.1.3 of proceedings at meetings of Members of the Company or Board meetings.

9.2 Such minutes, once they are approved as a true record of proceedings, shall be signed by the chairman of the meeting at which the proceedings took place or by the chairman of the following meeting.

10. DISQUALIFICATION OR RESIGNATION OF DIRECTORS

10.1 The office of Director shall be vacated if the Director:-

10.1.1 ceases to be a Director by effluxion of the period of appointment, or becomes prohibited from being a Director by virtue of any provision of the Act or this Memorandum; or

10.1.2 resigns his office by notice in writing to the Company and the Commissioner; or

10.1.3 becomes insolvent or assigns his estate for the benefit of or compounds with his creditors; or

10.1.4 is found to be a lunatic or of unsound mind; or

10.1.5 is absent for 3 (THREE) consecutive regular meetings of the Directors without obtaining prior leave of absence; or

10.1.6 is otherwise ineligible or disqualified from serving as a Director on the grounds as set out in Section 69 of the Act.

11. PROCEEDINGS OF THE BOARD

11.1 The Board may meet together for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit but shall meet at least 4 (FOUR) times during a financial year.

11.2 A Director may at any time summon a Board meeting.

- 11.3 Quorum for Directors' Meetings: The quorum necessary for the transaction of the business of the Board shall be at least 50% (FIFTY PERCENT) of the total number of Directors.
- 11.4 If at a meeting neither the chairman nor the vice chairman are present within 10 (TEN) minutes after the time appointed for holding same, the Directors present may choose one of their number to be chairman for that meeting subject to the provisions of Article 6.7.
- 11.5 Questions arising at any Board meeting shall be decided by a majority of votes of the Directors present in person. Each Director shall be entitled to exercise 1 (ONE) vote. In the event of an equality of votes the chairman shall have a second or casting vote.
- 11.6 All acts done in terms of any resolution passed at any Board meeting or a committee of Directors or by any person acting as a Director, notwithstanding that it be afterwards discovered that there was some defect in their acting as aforesaid or that they or any of them were disqualified so to act, shall be as valid as if any such person acting as Director in a Board meeting or a committee of Directors had been duly appointed and had qualified to be a Director.

COMMITTEES

- 11.7 The Board may delegate any of its powers to committees consisting of such persons as it thinks fit. ~~The members of such committees shall consist of a majority of Members of the Company.~~ (Amended 28th June 2018) The chairmen of committees shall be nominated by the Board. Any committee so formed, essentially shall be in an advisory capacity to the Board and shall report to, make recommendations for approval (or otherwise) to and be responsible to the Board and, in the exercise of the powers so delegated, conform to the rules that may be imposed on it by the Board.

11.8 If at any meeting the chairman is not present within 10 (TEN) minutes after the time appointed for holding same, the committee members present may elect one of their number to be chairman for that meeting.

11.9 A committee may meet and adjourn as it thinks fit. Recommendations arising at any meeting shall be determined by a majority of votes of the committee members present and in the event of an equality of votes, the chairman of the committee shall have a second or casting vote.

11.10 **LIMITATION OF LIABILITY OF DIRECTORS AND INDEMNIFICATION OF DIRECTORS**

11.10.1 Subject to the provisions of the Act and in particular Sections 75, 76 and 77, no Director shall be liable for any loss, damage or misfortune whatsoever which shall happen in the execution of the duties of his office or in relation thereto unless same occurs as a result of his own dishonesty, gross negligence or default, breach of duty ,breach of trust or breach of fiduciary obligations.

11.10.2 The Company may:-

11.10.2.1 advance expenses to a Director, or directly or indirectly indemnify a Director, in respect of the defence of legal proceedings, as set out in section 78(4);

11.10.2.2 indemnify a Director in respect of liability, as set out in section 78(5); and/or

11.10.2.3 purchase insurance to protect the Company or a Director, as set out in section 78(7), and the power of the Company in this regard is not limited, restricted or extended by this Memorandum.

11.10.3 The provisions of Article 11.10 shall apply *mutatis mutandis* in respect of any former Director or member of any committee of the Board.

12. **ASSUMPTION OF LIABILITY**

To the extent permitted, the Company shall carry out all the functions and assume all powers as provided in Section 37 and Section 38 of the Sectional Titles Act as shall be delegated to it by the relevant Body Corporate in relation to any sectional title scheme on the Estate. To the extent permitted, the Body Corporate of every such scheme operating on the Estate shall assign its powers and functions to the Company.

13. FINANCE COMMITTEE

- 13.1 Members of Finance Committee: There shall be established by the Board of Directors, under Article 11.7, a Finance Committee, which shall consist of a minimum of 3 (THREE) Directors.
- 13.2 Levy Fund: The Finance Committee shall establish and maintain a levy fund sufficient in its opinion for the repair, upkeep, control, management and administration of the Company and of the Estate, including the provision of security Services for the Estate, garden maintenance Services, insurance premiums, the payment of rates and taxes and other charges on the Estate levied by the local or any other authority, any charges for the supply of electric current, gas, water, fuel and sewage disposal, refuse collection and any other Services to the Estate including any matter arising from the provisions of this Article, and any Services required by the Company to enable it to carry out its main and ancillary objects, for the covering of any losses suffered by the Company, for the payment of any premiums of insurance and of all other expenses incurred or to be incurred in relation to the Estate and for the discharge of any other obligation of the Company. Nothing in this Article shall be construed as obliging the Company to pay service charges due by Owners to the local or any other authority.
- 13.3 Budget: Before every annual general meeting, the Finance Committee shall cause to be prepared an itemised estimate of the anticipated income and expenditure of the Company for the ensuing financial year together with consequent levies required, which estimates shall be laid before the annual general meeting for consideration.

- 13.4 Levies Due and Payable: All levies due by Members shall be payable to the Company immediately as same become due and owing without deduction, demand or set-off.
- 13.5 Approval of Budget: At every annual general meeting the Members shall by Ordinary Resolution approve, with or without amendment, the estimate of income and expenditure referred to in Article 13.3, and the estimated amount to be levied upon the Members during the ensuing financial year.
- 13.6 Amounts to be Paid by Members: The proportions in which Members shall make contributions towards the levy fund established in terms of Article 13.2, shall be determined by the Finance Committee, which, in determining such proportions, shall have regard to all circumstances prevailing at the time and to equity and shall be guided by the following -
- 13.6.1 it shall assign those costs arising directly out of the Unit itself to the Member owning such Unit;
- 13.6.2 it shall assign those costs relating to the Estate generally, including all common property, to the Owners of all Units equally;
- 13.6.3 it may draw a distinction between the Services rendered by the Company to a particular Body Corporate for a particular type of Scheme, again taking into account the nature and the extent of the Services rendered to that Body Corporate and the Owners of that Body Corporate; provided, however, that the Finance Committee may in any case where it considers it equitable to do so, assign to any Owner any greater or lesser share of the costs as may be reasonable in the circumstances; and provided further that any replacement or other reserves shall be determined by the Finance Committee.
- 13.7 Bank Account: All contributions received from Members shall forthwith be deposited in a separate account which the Company shall open and keep with a bank or financial institution.

- 13.8 Utilisation of Levy Fund: The monies in the levy fund shall be utilised to defray the expenses referred to in Article 13.2 above.
- 13.9 Dues Prior to Cessation of Membership: Notwithstanding any person ceasing to be a Member, all levies attributable to any period whilst such person was a Member, shall continue to be of full force and effect and recoverable from such person.
- 13.10 Overdue Amounts - Interest: Any amount due by a Member whether in respect of a levy or any other amount falling due for payment under this Memorandum, which remains unpaid after same has fallen due, shall bear interest as from the due date for payment to the date of payment at a rate of interest equal to that charged by the Standard Bank of South Africa Limited at its prime overdraft rate plus 3 (THREE) percentage points, such interest shall be calculated and compounded monthly.
- 13.11 Special Levies: The Board shall have the power to impose, on the recommendation of the Finance Committee, additional special levies on Members in respect of any unforeseen expenditure and shall determine how such levies are to be paid.
- 13.12 No Refund of Credit: A Member shall not be entitled to demand repayment of any amount standing to the credit of his levy account.
- 13.13 Levies Recoverable by Court Action: All contributions levied under the provisions of this Memorandum shall be due and payable on the passing of a resolution to that effect by the Board and may be recovered by the Company by action in any court (including any Magistrates' Court) of competent jurisdiction from the persons who were Members at the time when such contributions became due.
- 13.14 Arrears - Restrictions: Should a Member be in arrears with the payment of any levies due in terms of this Article and remain in arrears notwithstanding demand for payment, then in that event, such Member shall not be entitled, either in person or by proxy, to speak or vote at any meeting of Members of the Company. A letter addressed to the chairman of any such meeting, by the chairman of the Finance Committee, shall constitute proof of non-payment of any arrear levies by such

Member and shall entitle the chairman of such meeting of the Company to prevent such Member or his proxy from speaking or voting at such meeting.

13.15 **LEVY STABILISATION FUND**

13.15.1 Purpose: The Company may establish a levy stabilisation fund for the purpose of meeting any extraordinary expenditure and expenditure of a capital nature to be incurred by the Company in carrying out its main objects and the provisions of this Memorandum.

13.15.2 Liability to Pay: It shall be a condition of membership of the Company that the Owner of each Unit shall be liable to contribute an amount, as determined by the Finance Committee from time to time, to the levy stabilisation fund, which amount shall become due and payable as set out in Articles 13.15.3, 13.15.4 and 13.15.5 below.

13.15.3 Initial Contributions: Contributions to the levy stabilisation fund shall become due and payable on the date the Member occupies the Unit or becomes the registered Owner of the Unit, whichever date occurs first.

13.15.4 Contribution on Sale/Alienation of a Unit: In the event of any Unit being sold, alienated or otherwise disposed of, the new Owner shall be obliged to pay the levy stabilisation fund contribution applicable at the time and the ex-Owner shall not be entitled to a refund of the levy stabilisation fund contribution paid by him.

13.15.5 Contribution on Alienation of Units by Juristic Persons: In the case of deemed alienations of Units by juristic persons [see Article 3.1.4 above], a further contribution to the levy stabilisation fund shall, upon such alienation, become due by the juristic person, notwithstanding that the juristic person remains the Owner of the Unit. The object, in this regard, shall be to ensure that where there is a material change in the beneficial ownership or controlling interest of the juristic person [for example, by the members of a close

corporation selling their interests to one or more other persons, or by the beneficiaries of a trust ceding their interest to one or more other persons], the juristic person shall become liable for a further contribution to the levy stabilisation fund on the same basis that would have applied if the said juristic person had become a “new Owner” of the Unit. Notwithstanding the above, a material change in beneficial ownership or in the controlling interest which results from alienation by way of succession, whether testate or intestate, shall not give rise to an obligation on the part of the juristic person or its new representative Member to pay a contribution to the levy stabilisation fund.

- 13.15.6 No Refund of Levy Stabilisation Contributions: Members, or persons who cease to be Members, shall not be entitled to any refund in respect of any amounts paid toward the levy stabilisation fund.

14. ACCOUNTING RECORDS

- 14.1 The Board shall cause such accounting records as are prescribed by the Act to be kept. Accounting records shall be deemed to be proper if they represent fairly the state of affairs and business of the Company and explain the transactions and financial position of the trade or business of the Company.
- 14.2 The accounting records shall be kept at the Office or at such other place or places as the Board thinks fit, and shall always be open to inspection by the Members.

15. ANNUAL FINANCIAL STATEMENTS

- 15.1 The Board shall from time to time, in accordance with the Act, cause to be prepared and laid before the Company in general meeting such financial statements as are prescribed by the Act.
- 15.2 A copy of any annual financial statements which are to be laid before the Company in annual general meeting shall, not less than 15 (FIFTEEN) Business Days before the

date of the meeting, be sent to every Member of the Company: Provided that this Article shall not require a copy of those documents to be sent to any person of whose address the Company is not aware.

16. APPLICATION OF OPTIONAL PROVISIONS

16.1 The Company elects voluntarily to have its annual financial statements audited, as contemplated in Section 30(2)(b)(ii)(aa) of the Act.

16.2 The Company elects to be subject to Part C of Chapter 3 of the Act relating to the appointment of auditors, their resignation, rotation, rights and restricted functions.

17. NOTICES

17.1 All notices and any other communication or publication prescribed by the Act or given in terms of this Memorandum shall be given by the Company to each Member, in writing, in any manner authorised by the Act and the Regulations, and particularly Table CR3 annexed to the Regulations, an extract of which is attached hereto and marked "CR3".

17.2 Any notice sent by any means permitted in Table CR3 annexed to the Regulations shall be deemed to have been delivered as provided for that method of delivery in such Table.

17.3 Each Member of the Company:

17.3.1 shall notify in writing to the Company, an address within the Republic of South Africa for the purposes of receiving written notices from the Company by post and if he has not named such an address, it shall be considered sufficient for the Company to serve notice at the Unit owned by the Member: and

17.3.2 may notify in writing to the Company, an e-mail address and/or facsimile number, which address shall be his address for the purpose of receiving notices by way of electronic communication;

17.4 The failure to give notice to any Member, or the failure of any Member to receive a notice, shall not vitiate any proceedings of the Company.

18. WINDING-UP OF COMPANY

18.1 In the event of the Company being wound up, its assets shall devolve upon such other company as the Members in such winding-up order determine; provided that such company:

18.1.1 has aims and objects similar to those of the Company.

19. REPAIR, UPKEEP, ADMINISTRATION, MANAGEMENT AND CONTROL OF THE ESTATE

19.1 AMENITY OF ESTATE

Approval required for any Addition/Attachment: In order to procure compliance with the nature and amenity of the Estate no Dwelling, Unit or other structure shall be built or erected on any Estate property and no thing shall be placed on or attached to a Dwelling, Unit or any other structure, visible from outside of the Dwelling, Unit or such other structure, other than in accordance with written approval given by the Board of Directors and signed by the Chairman, Manager, or other delegated official. Before giving such approval, the Board may require that there be lodged with it such description and/or drawing and/or plan as may be necessary, in the opinion of the Directors, to enable them to consider the matter. Any approval as contemplated herein may be subject to such condition as the Directors may deem fit. This article shall in no way alter or supersede any requirements of or obligations to the local authority.

19.2 LEASED AREAS

Common Property of Sectional Title Developments: It is recorded that the Company, in so far as sectional title developments are concerned, will be entering into leases

with Owners in respect of that portion of the Owners' property not covered by buildings or enclosed by walls or screens. The Company shall be obliged to maintain such leased areas as if they formed part of the common property of the Estate subject to such other arrangements as may be entered into between the Company and the Owners of such leased area.

19.3 **LANDSCAPING**

19.3.1 Save as may otherwise be agreed by the Board, any landscaping on the Estate shall be undertaken by the Company or on behalf of the Company.

19.3.2 Approval Required for Landscaping: Notwithstanding anything to the contrary herein or elsewhere contained, no Member shall have any right to plant any tree or to remove or cut same or attempt to erect any fence or wall or any other structure or remove same on the Estate without the prior written consent of the Board of Directors.

19.4 **PROVISION OF SERVICES**

The Company may, from time to time, contract with suppliers of Services or itself provide Services to the Estate.

19.5 **ROADS AND OPEN SPACES**

19.5.1 Members and their invitees shall be entitled to use all open spaces as well as roads on the Estate subject to such Conduct Rules as the Board may lay down from time to time, provided that at all times Owners shall have vehicular and pedestrian ingress and egress from their Unit to a public road.

19.5.2 No resolution for the winding up of the Company shall be passed prior to the rights of vehicular and pedestrian ingress and egress above referred to being secured by

way of servitudes registered against the title of the Estate or the transfer of such accesses to a local authority as public roads.

19.6 **MAINTENANCE OF DWELLING**

The exterior of every Unit together with its garden, trees and fences, etc., (save where such work in sectional title developments is carried out by the Company) shall be continuously and at all times maintained by the Owner in a clean, tidy, neat and befittingly repaired, painted and properly kept condition and no Owner shall be entitled to change the colour of any exterior part of his Unit without prior consent of the Company. An Owner shall, on receipt of notice given by the Directors and signed by the chairman, undertake such work as may be specified in such notice relative to such Owner's Unit. Should an Owner fail to carry out any work as required by the Company after the Company has given due notice to comply, the Company shall be entitled to carry out such work and to recover the reasonable cost thereof from the Owner which amount shall be deemed to be part of the levy due by the Owner.

19.7 **OCCUPATION/LEASING OF DWELLING**

Occupation and use of Units shall, at all times, be in compliance with the Scheme and the number of persons occupying a Unit may be determined, in the opinion of the Board, from time to time. The Board may, in its sole discretion, determine that any person, not being a Member, be denied access to the Estate and be required to leave. In the event of Owners wishing to hire out their Units, or a portion of their Unit, they shall do so in consultation with and subject to such Conduct Rules as the Company may, from time to time, lay down with regard to the number of persons occupying the Units, access to the Units by intended lessees and subject further to any intended lessees signing such undertaking as may be required by the Board whereby the lessees agree to be bound by the provisions of this Memorandum and any other provisions which the Owner may be subject to from time to time.

19.8 **SERVICES**

Consent to the Provision/Maintenance of Services: In as much as the provision, establishment, maintenance and repair of Services may be required to take place on the Estate or on Units owned, the Owners hereby consent to the provision of such Services being laid across such property, in such places as the Company determines, from time to time and to the Board of Directors or persons authorised by it, entering upon such property for the purpose of providing, establishing, maintaining and/or repairing the Services, provided that such work shall be carried out with as little inconvenience to the affected party as possible.

19.9 **RESPONSIBILITY FOR GUESTS, INVITEES AND CONTRACTORS**

Members shall be responsible for the conduct of their guests, invitees, contractors and Service Providers etc. while such persons are on the Estate and each Member shall, in terms hereof, indemnify the Company and hold it harmless against any claims, loss, expense or damage that the Company might otherwise incur in consequence of any unlawful act or omission on the part of any such guest, invitee, contractor, or Service Provider etc. or in consequence of the failure of any such person to comply with the Conduct Rules applicable at the relevant time.

19.10 **SECURITY OF ESTATE**

The Company shall be obliged to provide such security for the Estate as it deems appropriate, from time to time, including such security as may be required to control egress and ingress to the Estate, so that only Owners, Members, lessees of Units, guests or invitees, authorised representatives, employees of the Company and any other duly authorised persons are admitted.

19.11 ENFORCEMENT OF OBLIGATIONS OF OWNERS

Should any Owner or any lessee, guest or invitee of an Owner, fail to perform any obligation incumbent upon him, if applicable, within the period of any notice given for compliance, the Company shall be entitled, but not obliged, to do such things and incur such expenditure as is, in the opinion of the Company, necessary and/or requisite to procure compliance. The costs thereby incurred by the Company shall be a debt due by the Owner concerned, which shall be payable on demand.

19.12 DETERMINATION OF DISPUTES

In the event of any dispute or difference arising between the Members *inter se* or between a Member and the Company as to the construction, meaning, interpretation or effect of any of the provisions or as to the rights, obligations or liabilities of the Company or any Member in terms of this Memorandum, the parties shall forthwith meet to attempt to settle such dispute or difference and failing such settlement within a period of 30 (THIRTY) days, and should the parties fail to agree on an alternative dispute resolution process such as mediation or arbitration, either party may take such action as it deems necessary. This dispute settlement article shall not preclude a party to a dispute from seeking urgent relief from a court in appropriate circumstances.

20. DISCLAIMER OF LIABILITY

Except in the event of a wilful or grossly negligent act or omission on the part of the Company, its employees or agents :

- 20.1 the Company shall not be liable for any injury to any person, damage to or loss of any property, to whomsoever it may belong, occurring or suffered, upon the Estate

regardless of the cause thereof nor shall the Company be responsible for any theft of property occurring on the Estate;

20.2 Members hereby acknowledge that they shall not, under any circumstances, have any claim or right of action whatsoever against the Company for damages, loss or otherwise, nor be entitled to withhold or defer payment of any amount due by them for any reason whatsoever;

20.3 the Company and/or its agents shall not be liable to any Member or any of the Members' lessees, or their respective employees, agents, servants, invitees or customers or any member of the public dealing with any Member or any lessee for any injury or loss or damage of any description which any Member or any such other person aforesaid may suffer or sustain whether directly or indirectly in or about the Estate, regardless of the cause thereof.

21. SALE OF PROPERTY

21.1 For reasons of security on the Estate and due to the nature of the Estate and the various matters about which any purchaser should become aware when buying into the Estate, if an Owner wishes to dispose of his Unit, or any share therein or any subdivision thereof, he shall, to the extent that he requires the services of an estate agency in regard to such disposal, do so in accordance with the provisions of this Memorandum.

21.2 Any Owner who wishes to dispose of his Unit shall, to the extent that he requires the services of an estate agency, do so through an estate agency approved by the Company in its absolute discretion, save that the approval will not be unreasonably withheld. The Company shall not be liable in any manner whatsoever, arising out of its approval of an estate agent in terms of this Article.

21.3 In the event of an Owner being a juristic person, such as a close corporation, company or trust, and in the event of the member, director, shareholder, trustee or

beneficiary of such Owner (as the case may be) wishing to dispose of the member's interest, shares or beneficial interest in the Owner (as the case may be), to the extent that such party requires the services of an estate agency in regard to such disposal, the provisions of Article 21.2 shall apply *mutatis mutandis*.

- 21.4 In the event of an Owner disposing of his Unit or in the event of an Owner being a juristic person, such as a close corporation, company or trust and the member's interest, shares or beneficial interest (as the case may be), being disposed of, then in that event, the Owner shall be responsible for payment of an administration fee to the Company in consideration for attending to the formalities of the Company in this regard. The aforesaid administration fee shall be determined by the Company in its absolute discretion from time to time.
- 21.5 The terms on which an estate agency is nominated by the Company, as contemplated in Articles 21.2 above, shall be in the sole and absolute discretion of the Company. In no way detracting from the generality of the aforesaid, it is specifically recorded that the Company may, should it deem appropriate, require such nominated agency to pay a portion of any commission earned from the sale of a Unit, to the Company.
- 21.6 The documentation prescribed by the Company (including the sale agreement), shall be utilised in the disposal of a Unit or the member's interest, shares or beneficial interest.
- 21.7 In the event of a breach of this Memorandum, the Company shall be entitled in its absolute discretion to refuse its written approval, as required, in respect of any aforesaid disposal until the provisions of this Memorandum (and, in particular in no way detracting from the generality of the aforesaid, the provisions of this Article 21) are complied with and no party shall have any claim for damages arising out of the Company's refusal to give such written approval.

22. AMENDMENT OF MEMORANDUM

This Memorandum may only be amended or varied by way of a Special Resolution of Members and a copy must be submitted, as soon as possible after the passing of such amendment, to the Commissioner for the South African Revenue Service.

ANNEXURE “CR3”

Table CR 3 - Methods and Times for Delivery of Documents

(in terms of Regulation 7)

A notice or document to be delivered for any purpose contemplated in the Act or these regulations may be delivered in any manner set out in this Table.

Subject to regulation 7(2)(b), a document delivered by a method listed in the second column of this Table will be deemed to have been delivered to the intended recipient on the date and at the time shown opposite that method, in the third column of that table.

<u>Nature of Person to whom the document is to be delivered</u>	<u>Method of Delivery</u>	<u>Date and Time of Deemed Delivery</u>
ANY PERSON	By faxing the notice or a certified copy of the document to the person, if the person has a fax number; or	On the date and at the time recorded by the fax receiver, unless there is conclusive evidence that it was delivered on a different date or at a different time.
	By sending the notice or a copy of the document by electronic mail, if the person has an address for receiving electronic mail; or	On the date and at the time recorded by the computer used by the sender, unless there is conclusive evidence that it was delivered on a different date or at a different time.
	By sending the notice or a certified copy of the document by registered post to the person's last known address; or	On the 7th day following the day on which the notice or document was posted as recorded by a post office, unless there is conclusive evidence that it was delivered on a different day.
	By any other means authorized by the High	In accordance with the order of the High Court.

	Court; or	
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<u>Nature of Person to whom the document is to be delivered</u>	<u>Method of Delivery</u>	<u>Date and Time of Deemed Delivery</u>
	By any other method allowed for that person in terms of the following rows of this Table.	As provided for that method of delivery.
ANY NATURAL PERSON	By handing the notice or a certified copy of the document to the person, or to any representative authorized in writing to accept service on behalf of the person; or	On the date and at the time recorded on a receipt for the delivery.
	By leaving the notice or a certified copy of the document at the person's place of residence or business with any other person who is apparently at least 16 years old and in charge of the premises at the time; or	On the date and at the time recorded on a receipt for the delivery.
	By leaving the notice or a certified copy of the document at the person's place of employment with any person who is apparently at least 16 years old and apparently in authority.	On the date and at the time recorded on a receipt for the delivery.