

S2563
SJSK/na/D4/2008.07.30

- 8.7.2.2 the date upon which not less than 50% (Fifty Percent) of the Erven have been sold and transferred to Members;
- 8.7.3 Votes shall be decided on a show of hands, unless a poll (at any time before or on the declaration of the result of the show of hands) is demanded by the Chairperson or a majority of the Members present and entitled to vote at the meeting.
- 8.7.4 A declaration by the Chairperson that a resolution has, on a show of hands, been carried by a particular majority, shall be so minuted and shall constitute conclusive evidence of the fact, without proof of the number or proportion of votes recorded in favour of or against such resolution (or the abstentions with respect thereto).
- 8.7.5 A demand for a poll may be withdrawn.
- 8.7.6 If a poll is duly demanded, it shall be taken in such a manner as the Chairperson directs and the result of the poll shall constitute a duly passed resolution.
- 8.7.7 Scrutineers shall be appointed to determine the result of a poll and in the case of an equality of votes, whether on a show of hands or on a poll, the Chairperson shall be entitled to a second or casting vote.
- 8.7.8 The Register of Members, which shall be available at every meeting, shall, in the absence of proof to the contrary, be deemed conclusive as to the Members present, or represented by proxy, entitled to vote (and in good standing).
- 8.7.9 A certificate under the hand of the Manager, dated not more than 48 (Forty Eight) hours prior to the time for commencement of a meeting, shall, in the absence of proof to the contrary, constitute sufficient evidence of those Members who are not in good standing (and any dispute in this respect shall fall to be determined by the Chairperson).
- 8.7.10 Every resolution (including every amended resolution) proposed for adoption at a general meeting (with or without modification) shall require a proposer and a seconder at the meeting, and if not so seconded, shall be deemed not to have been duly proposed.
- 8.7.11 An ordinary resolution (also referred to in these Articles as a "general resolution") other than a special resolution, including any amendment of an ordinary resolution, shall be carried on a single majority of the votes cast.
- 8.7.12 A special resolution shall, as is required in terms of the Act, require to be passed by no less than three quarters of the votes of the Members present in person or represented by proxy, at the meeting and entitled to vote thereat.

S2563
SJSK/na/D4/2008.07.30

8.7.13 PQ's

8.7.13.1 The Association shall maintain at its Office a schedule indicating the PQ as attaches to each Erf (and calculated with respect to the area of each Erf, as shall be constituted on the opening of the Township Register in the Deeds Registry, Pretoria).

8.7.13.2 Where a Sectional Title Scheme is opened with respect to any Erf, the PQ of each Section as comprises of such Sectional Title Scheme, shall be based on the Participation Quota determined in accordance with the Sectional Titles Act (and apportioned to each Section) as a proportion of the PQ attributed to the (affected) Erf.

8.7.14.1 In the event of any sub-division of an Erf, or consolidation of 2 (Two) or more Erven, the PQ relating thereto shall be adjusted accordingly;

8.7.14.2 the PQ Register, as aforementioned, shall be adjusted from time to time, as needs be, in consequence of the establishment of any Sectional Title Scheme or consequent upon any sub-division or consolidation, as referred to in these Articles.

8.8 Quorum

8.8.1 No business shall be transacted at any general meeting unless a quorum is present within a half hour of the time for commencement of the meeting.

8.8.2 The quorum of a general meeting shall comprise not less than one half, calculated in terms of the PQ, of Members entitled to be present (either in person or by proxy) and entitled to vote at the meeting, provided that not less than 7 (Seven) Members personally present shall furthermore be required to constitute a quorum.

8.8.3 Should a quorum not be present, the meeting shall stand adjourned to the same day in the next week, at the same venue and at the same time, or at such other venue as the Chairperson shall appoint; should the same day in the following week not comprise a business day, the adjourned meeting shall take place, in accordance with the foregoing provisions, on the immediately succeeding business day.

8.8.4 Notwithstanding the provisions of the immediately preceding Article, it shall be competent for the Chairperson to determine a date and time (and venue) for the holding of the adjourned meeting, otherwise and in accordance with the preceding provisions, provided however that the adjourned meeting shall occur no later than 14 (Fourteen) days of the meeting at which the quorum was not present.

8.8.5 At an adjourned meeting should a quorum not be present within 15 (Fifteen) minutes of

S2563
SJSK/na/D4/2008.07.30

the time appointed for the commencement of the meeting, the Members present shall constitute a quorum.

8.8.6 It shall not be required that notice of the adjourned meeting be given to Members, provided however that no business other than the business, which fell to be determined at the originally convened meeting shall be dealt with at the adjourned meeting.

8.8.7 Where any special resolutions are required to be passed at a general meeting, the foregoing Articles shall, subject always to the provisions of the Act, apply with respect to the presence of a quorum, provided furthermore that the determination of the votes shall be in accordance with the provisions as set out above in these Articles.

8.9 Chairperson

8.9.1 The Chairperson shall preside as such at every general meeting and if the Chairperson is unavailable the Board shall appoint another of its Directors to act as Chairperson, provided however that during the Development Period the Chairperson shall be a director or other representative of the Developer authorised thereto by the Developer in writing.

8.9.2 It shall further be competent for the Board, subject to the other provisions contained in these Articles, to appoint a Vice-Chairperson who shall, in the absence of the Chairperson, act in such capacity.

8.9.3 After the expiry of the Development Period, should the Chairperson (or if so appointed, the Vice-Chairperson) not be available to chair the meeting, and should the Board not have designated a Director to act in such capacity, the Members present in person or represented by proxy, entitled to vote at the meeting, shall appoint an acting Chairperson.

8.10 Proxies

8.10.1 A Member may be represented at a general meeting by a proxy, who need not be a Member of the Association.

8.10.2 The instrument appointing the proxy shall be in the form as prescribed by the Board from time to time, and which shall be available on the Website (or obtainable from the Management Office).

8.10.3 The proxy form shall be signed by the Member concerned or his agent, duly authorised in writing and:

S2563
SJSK/na/D4/2008.07.30

- 8.10.3.1 in the case of co-Owners, shall be signed by each of them;
- 8.10.3.2 in the case of a Member, which is a legal entity (whether incorporate or unincorporated – including a Trust) shall be accompanied by a true copy of a resolution of directors, members or trustees of such Member confirming the authority of the signatory to the proxy form;
- 8.10.3.3 the proxy form (and accompanying power of attorney or resolution, as the case may be) shall be deposited at the Management Office not less than 48 (Forty Eight) hours prior to the time of the commencement of the meeting, and in default therewith, and/or should the proxy form not have been duly completed, signed and dated, same shall be treated as invalid; no proxy form shall be considered as valid after the expiration of the period of 6 (Six) months from the date of its execution, unless the proxy form expressly otherwise indicates.
- 8.10.4 A vote given in accordance with the terms of a proxy shall be valid, notwithstanding the previous death of the principal or revocation to the proxy, provided however that no written advice of the death or revocation shall have been received by the Board (or the Association) at the Management Office, at any time prior to the meeting in respect of which the vote is to be taken.

9. DIRECTORS

9.1 The Board

- 9.1.1 The Board shall consist of not less than 3 (Three) nor more than 5 (Five) Directors.
- 9.1.2 A Director need not himself be a Member of the Association, however, on acceptance of appointment each Director shall be deemed to have been bound by all the provisions of these Articles.
- 9.1.3 The Board shall, during the Development Period, consist of not less than 3 (Three) Directors nominated by the Developer and any other Directors shall be elected by the Members in general meeting.
- 9.1.4 The first Directors shall, on registration of the Association, be appointed by the Developer.
- 9.1.5 Save where a Director has vacated his office (as hereinafter provided) and save for the 3 (Three) Directors appointed by the Developer as provided for above in this Article, each Director shall continue to hold office from the date of his appointment until the

S2563
SJSK/na/D4/2008.07.30

ensuing Annual General Meeting, at which each Director shall have been deemed to have retired from office as such, but shall be eligible for re-election to the Board at such meeting.

9.1.6 Upon any vacancy occurring in the Board prior to the next Annual General Meeting, such vacancy shall be filled by the person nominated by the remaining Directors (by majority decision), provided, however, that should the Director who vacates his office be a nominee of the Developer, the Developer shall be entitled to nominate a Director in his stead.

9.2 Disqualification/removal/resignation - Directors

9.2.1 A Director will be deemed to have retired upon:

9.2.1.1 having become disqualified to act as a director in terms of the provisions of the Act;

9.2.1.2 been removed from office as provided in Section 220 of the Act;

9.2.1.3 in the event of his being a Member, his being disentitled to exercise a vote (as provided in these Articles);

9.2.1.4 his being absent for 3 (Three) consecutive meetings of the Board without having obtained prior leave of absence from the Chairperson;

9.2.1.5 in the case of a Director appointed by the Developer, the Developer revoking his appointment;

9.2.1.6 his written resignation (submitted to the Board and the Auditors);

9.2.1.7 being requested in writing to do so by a majority of the Directors for any reason whatsoever, save that a Director appointed by the Developer shall only be removed in circumstances where the Developer has so requested his removal.

9.3 Alternate Directors

9.3.1 Any Director appointed by the Developer may for any reason, and at any time, appoint an alternate Director ("Alternate") who shall be entitled to act in the stead of the appointing Director, during such Director's temporary absence or unavailability.

9.3.2 Any other Director may with the consent of the majority of the Directors, appoint an Alternate to act in his stead during his temporary absence or unavailability.

S2563
SJSK/na/D4/2008.07.30

9.3.3 An Alternate so appointed and acting in such capacity shall enjoy all the powers and be entitled to all the rights and responsible for the discharge of all obligations of a Director.

9.4 Co-Option

The Board shall have the power to co-opt persons onto the Board for the purposes of assisting the Board in carrying out any specific functions from time to time and any persons so co-opted shall be entitled to attend Board meetings, but not, unless otherwise approved by a majority of Directors, be entitled to vote on any matter requiring resolution by the Board.

9.5 Delegation of powers of Directors

9.5.1 The Board may, from time to time, entrust to and confer upon the Manager, or any Committee, or any other designated official of the Association, or consultant or any other person, for the time being, such of the powers and authorities vested in it as it deems fit for such time, and for such specific objects and purposes and subject to such terms, conditions, and restrictions as considered expedient; any such powers and authorities so delegated may be so delegated either collaterally or to the exclusion of or in substitution for any specific powers and authorities of the Board.

9.5.2 Any such powers and authorities delegated by the Board, as indicated, may at any time, and without any reasons being provided therefore, be revoked or varied by the Board (which right includes the power to impose any further terms, conditions and restrictions as deemed appropriate).

9.5.3 The right of the Board to delegate any powers and authorities, as referred to above in this Article may be curtailed by any restrictions imposed or directions given at any general meeting of the Association.

9.6 Remuneration of Directors

9.6.1 Directors shall be entitled to be repaid all reasonable and *bona fide* expenses incurred by them in or about the performance of their duties as such; save as aforesaid Directors shall not be entitled to any remuneration *per se* for the performance of their duties as such, unless the Association in general meeting has otherwise resolved.

9.6.2 Wherever possibly any expenditure, which a Director incurs shall bear the prior approval of the Board, alternatively shall be ratified by the Board and in all circumstances duly vouched to the satisfaction of the Board.

9.7 Limitation of Liability of Directors/Fiduciary

S2563
SJSK/na/D4/2008.07.30

- 9.7.1 No Director shall be liable for any loss, damage or claim occurring in the *bona fide* execution of his duties, unless arising due to such Director's dishonesty, gross negligence (which shall include recklessness) or a breach of his fiduciary duties.
- 9.7.2 Each Director shall make a prompt and a full disclosure of any matter in which such Director has, directly or indirectly, an interest and/or which could result in an actual or potential conflict of interest.
- 9.7.3 A Director shall at all times discharge his duties in the best interests of the Association and not for any sectoral interest.
- 9.7.4 Each Director on appointment is deemed to have acknowledged awareness of these Articles and of the fiduciary obligations arising and which are owed to the Company at law (which shall include, for all purposes, common law).
- 9.8 Proceedings of the Board
- 9.8.1 The Board may meet for the despatch of Business, adjourn and otherwise regulate their meetings as they deem fit, subject to the provisions of these Articles.
- 9.8.2 During the Development Period the Board shall meet no less frequently than 4 (Four) times during a Financial Year.
- 9.8.3 Any Director may convene a meeting of the Board at any time on not less than 7 (Seven) days' written notice, provided, however that should any urgent business need to be transacted, the Board may be convened on not less than 2 (Two) business days notice (unless otherwise agreed by a majority of the Board).
- 9.8.4 Each Director shall have provided the Board (and the Auditors and Management Office) with his contact details (land line, home line, cell number, facsimile number and e-mail address) and the notice convening a Board meeting may be convened by despatch via facsimile or e-mail.
- 9.8.5 The quorum necessary to constitute a duly convened meeting of the Board shall be a minimum of 2 (Two) Directors present personally, provided however, that during the Development Period the presence of at least 2 (Two) appointees of the Developer shall be necessary in order to form a quorum.
- 9.8.6 Any resolution of the Board shall be carried on a simple majority of all votes cast, and in the case of an equality of votes (for and against any resolution) the resolution shall be deemed to have been defeated, save that during the Development Period, the

S2563
SJSK/na/D4/2008.07.30

- Chairperson (or failing him, the Vice-Chairperson) shall have a second and casting vote.
- 9.8.7 Notwithstanding the foregoing no resolution of the Board shall be carried, during the Development Period, unless the appointees of the Developer have voted in favour of same.
- 9.8.8 An Alternate may not be so appointed on behalf of more than 1 (One) Director.
- 9.8.9 A resolution signed by all the Directors shall be valid in all respects as if it had been duly passed at a meeting of the Board ("a Round-Robin resolution").
- 9.8.10 Meetings of the Board may further take place by way of a tele- or video-conference (where all the Directors can hear each other) and the minutes of any such meeting, as certified by the Chairperson or Vice-Chairperson shall constitute a recordal of the business transacted during such Board meeting (and shall stand to be confirmed at the ensuing Board meeting).
- 9.8.11 All business transacted at a Board meeting, including any resolutions passed shall, notwithstanding that it be afterwards discovered there was some defect in the appointment of any Director, or that any of the Directors were disqualified to so act, be as valid as if the affected Director had been duly appointed and was duly qualified to be a Director.
- 9.8.12 The proceedings at meetings of the Board shall otherwise be conducted in a reasonable manner and in the form as the Chairperson shall determine.
- 9.8.13 Should the Chairperson not be available for any reason the Vice-Chairperson shall, if appointed and present, act in such capacity and failing the availability of the Chairperson (or Vice-Chairperson) the Board shall by majority decision elect one of its members to act as Chairperson for the particular meeting, provided, however, that during the Development Period an appointee of the Developer shall act as the Chairperson.
- 9.8.14 Minutes shall be diligently kept of every Board meeting and without undue delay reduced to writing and circulated (within 14 (Fourteen) days of closure of the meeting) to the Directors and the following provisions shall further apply:
- 9.8.14.1 the minutes shall be certified by the Chairperson (of the meeting) as correct and placed in the Directors' Minute Book (to be maintained in accordance with the provisions of the Act);

S2563
SJSK/na/D4/2008.07.30

- 9.8.14.2 all minutes of the Board shall be subject to confirmation at the ensuing Board meeting;
- 9.8.14.3 the Directors' minutes shall be open for inspection at all reasonable times by any Director, the Auditors, the Members and the Manager (the Minute Book to be retained at either the Registered Office or Management Office, or such other address (in Pretoria) as the Board shall, from time to time, determine).
- 9.8.15 Should a quorum of Directors not be present within 30 (Thirty) minutes of the time scheduled for the Board meeting, the Board meeting shall, unless otherwise agreed by the Chairperson and the Directors present, stand adjourned for 7 (Seven) days (at the same venue and time), notice of such adjourned meeting to be given only to those Directors who were absent from the meeting; the foregoing provisions shall not prevent a Board meeting from being held in circumstances where certain of the Directors are present at the same venue and other Directors are via tele- or video-conference, as aforementioned in these Articles, able to participate in the proceedings.

10. POWER AND DUTIES OF DIRECTORS

- 10.1 Subject to the express provisions of these Articles, the Board shall be responsible for the administration, control, management and services required in the fulfilment of the objects of the Association as defined in the Memorandum of Association and Article 2 hereof and to manage and control the business and affairs of the Association.
- 10.2 The Board shall have full powers in the management and direction of such business affairs including the right of appointment and dismissal of the Manager, and may exercise all such powers of the Association and do all such acts on behalf of the Association as may be exercised and done by the Association and as are not by the Act or by these Articles required to be exercised or done by the Association in general meeting, subject however, to such restrictions as may have been made by the Association in general meeting.
- 10.3 Save as specifically provided in these Articles, the Board shall at all times have the right to engage on behalf of the Association the services of accountants, auditors, attorneys, advocates, architects, engineers and Managers and any other professional firm or person or other employees whatsoever for any reason deemed necessary by the Board and on such terms as the Board may decide.
- 10.4 Subject to the directives and any restrictions imposed by the Association in general meeting, and as otherwise may be stipulated by the Board, the Board shall have the right to delegate its powers and authorities, as more fully provided in these Articles (and which rights shall include, as similarly referred to in these Articles, the right to appoint Committees for any purposes and to delegate to such Committees, subject to

S2563
SJSK/na/D4/2008.07.30

the provisions and qualifications referred to above in these Articles), such powers and authorities as are deemed necessary for the fulfilment by any such Committee of its purposes.

- 10.5 Subject to any restriction imposed and direction given at a general meeting of the Association, the powers of the Board shall include the following:
- 10.5.1 to act as, or appoint a Committee to act as the ARC to approve, in principle, any design concepts, detailed sketch plans, working drawings and landscaping plans, submitted by a Member and thereafter, to attend to the final approval of any building plans, prior to submission thereof to the Local Authority;
- 10.5.2 to appoint for and on behalf of the Association such agents and employees as deemed fit in connection with the control, management and administration required in terms of these Articles, more particularly with respect to the maintenance, repair and upkeep of the POS, POA Sites, barriers and security installations and services;
- 10.5.3 in addition to the rights of delegation of their powers, duties and authorities, to delegate to any duly appointed and contracted Manager, contractor, (other) agent, employee or member (and as referred to, any Committee), such of their powers, duties and authorities as they may deem fit, and at any time to revoke any such delegation and/or impose any restrictions and/or vary the extent of any such delegation;
- 10.5.4 to make the Rules (which shall include any Bye-Laws) for the control, use, safety, cleanliness and aesthetics of the POS, security (including ingress to and egress from the Township, ecological matters, parking (with respect to roads, road verges, POS and other areas not falling within any Erven), signage and advertising;
- 10.5.5 to establish and amend as deemed necessary from time to time, the Developmental and Architectural Controls (which during the Development Period shall fall within the purview of the Developer);
- 10.5.6 to enforce the Rules and to impose and enforce any sanctions consequent upon a breach thereof;
- 10.5.7 to institute and/or defend any legal proceedings including arbitration or other alternative dispute resolution proceedings by or against the Association;
- 10.5.8 to establish a budget with respect to the Levies and to raise and recover the Levies (including any Special Levies as determined from time to time) from the Members;
- 10.5.9 to open and conduct a current banking account, including any savings or deposit

S2563
SJSK/na/D4/2008.07.30

account, with a registered bank into which all monies receivable by the Association shall be deposited, and from which all amounts payable by the Association shall be drawn;

- 10.5.10 to create a reserve fund, as shall be provided in the Levies budget and into which such designated funds, as well as any other monies receivable by the Association, which are not immediately required for any particular purpose, shall be deposited, such reserve funds so accumulated to be applied, as and when necessary for the repair and maintenance of the POS and POA Sites and where deemed fit, for the improvement of any of the aforementioned;
- 10.5.11 to purchase, hire, lease or otherwise acquire such movable assets (including but not limited to plant, equipment, furniture, tools and the like) for use in fulfilling the duties of the Board;
- 10.5.12 to liaise with the Competent Authorities regarding any matter falling within the purview of the Association and, if deemed necessary, on behalf of any Member;
- 10.5.13 to utilise the facilities and movable assets of the Association for the purposes as referred to in these Articles;
- 10.5.14 to ensure that Members adhere to the provisions of these Articles;
- 10.5.15 to enter into contracts with third parties to give proper effect to the provisions of these Articles and in the implementation of the business of the Association;
- 10.5.16 to otherwise do all things reasonably necessary for the management, control, administration and enforcement of the objects of business of the Association, as referred to in these Articles (and with regard to the Rules);
- 10.5.17 to procure, where relevant, registration of the Servitudes and to otherwise ensure the exercise by the POA of its rights and entitlement under any such Servitudes in a reasonable manner;
- 10.5.18 to maintain the Cemetery Site in accordance with the Legislation applicable thereto (and, when relevant, afford reasonable access by members of the public thereto).

11. RULES

- 11.1 Subject to any restriction imposed or direction given at a general meeting of the Association, and subject thereto that it must be equitable, the Board may from time to time make Rules in regard to:

S2563
SJSK/na/D4/2008.07.30

- 11.1.1 the Development and Architectural Controls (relating to architectural design, construction, quality and building materials of any buildings or improvements to be erected on any Erf (save that during the Development Period, same shall fall within the purview of the Developer));
- 11.1.2 determine from time to time Rules, with regard to ecological matters (including, but not limited to, the POS), landscaping, parking, signage and advertising, exterior lighting, anti-pollution measures, noise containment and abatement, avoidance of nuisance to owners/occupiers of adjoining/neighbouring Erven;
- 11.1.3 the furtherance and promotion of any of the objects of the Association and/or for the better management of the affairs of the Association and/or for the advancement of the interests of the Members;
- 11.1.4 the maintenance of all buildings, outbuildings, structures and installations (relating to the provision of electricity, water, sewerage, drainage and any other utilities) to the Township (to the extent that these are not the responsibility of any Competent Authority), the obligations and Rules, which extend to the improvement of any nature and landscaping of the POS;
- 11.1.5 the right of reasonable access to any Erf in order to effect maintenance or repair of the barriers (erected on the boundaries of the perimeter of the Township and public roads, within the Township), the said right of access to extend to entry onto an Erf for purposes of attending to perform any matter or works as referred to in these Articles;
- 11.1.6 the storage of flammable and other harmful substances;
- 11.1.7 the use, management and control of roads, pathways and other common areas;
- 11.1.8 the control and movement of employees, contractors, agents, invitees/visitors within the environs of the Township;
- 11.1.9 the right to keep any animal, reptile or bird (whether for security purposes or otherwise) on any Erf.
- 11.2 For the enforcement of any of the Rules, the Board may:
 - 11.2.1 take or cause to be taken such steps as deemed necessary to remedy any breach of any Rule of which a Member may be guilty, and which remains unremedied, despite reasonable notice (as determined in the sole discretion of the Board) and to recover the costs incurred from the Member concerned, which amount shall be deemed to constitute a debt owing by the Member concerned to the Association; and/or

S2563

SJSK/na/D4/2008.07.30

- 11.2.2 impose a system of fines or other penalties or sanctions (the amount of such fines and the nature of such sanctions to be reviewed and confirmed at each Annual general meeting of the Association); and/or
- 11.2.3 to implement such other actions, including legal proceedings as considered necessary.
- 11.3 In the event of the Board consulting with any attorneys and/or instituting any legal proceedings against a Member (or any occupier of an Erf, whether in terms of any tenancy or occupation agreement with a Member) for the enforcement of any of the rights of the Association in terms of these Articles and/or the Rules, the Association shall be entitled to recover all legal costs so incurred from the Member or third party concerned, calculated on a scale as between attorney and client.
- 11.4 In the event of a breach of the Rules (the following shall similarly apply to a breach of any of the provisions of these Articles) whether by a Member, its directors, members, employees, agents, contractors (and sub-contractors), invitees, visitors (and tenants or occupiers), such breach shall be deemed to have been committed by the Member concerned, but without prejudice to the foregoing, the Board may take or cause to be taken steps and enforce any rights or remedies against the person who has committed such breach, as the Board in its discretion may deem fit.
- 11.5 Any fines imposed shall be debited to the affected Member's Levy account and shall be payable by the relevant Member together with the next Levy payment due to the Association.
- 11.6 Should a Member dispute the fact that he has committed a breach of any Rule (or provision of these Articles) a Committee ("the Disciplinary Committee") shall be appointed by the Board consisting of not less than 3 (Three) persons, 1 (One) of whom shall be a Director, and which Disciplinary Committee shall adjudicate upon the matter at such time and in such manner and according to such procedures as the chairperson of such Committee shall direct, subject however that the rules of natural justice shall be observed.
- 11.7 Any fine imposed upon a Member, which is not paid shall be recoverable by the Association by ordinary civil process (without derogating from any other rights or remedies available to the Board, on behalf of the Association, in terms of these Articles).
- 11.8 Notwithstanding anything to the contrary herein contained the Board may, in the name of the Association, enforce the provisions of any Rules (and of these Articles) by civil application or action in a Court of competent jurisdiction and for this purpose appoint

S2563
SJSK/na/D4/2008.07.30

such attorneys and counsel as deemed necessary.

- 11.9 The Association may itself in general meeting make any Rules, which the Board may make, and may furthermore in general meeting vary or modify any Rules made by it or by the Board from time to time.
- 11.10 The Rules as so made shall be disseminated to the Members and Manager by written notice (in the form as provided for elsewhere in these Articles) and shall furthermore be displayed on the Website.
- 11.11 Restriction/suspension of entry
- 11.11.1 The Board shall be entitled, with respect to any breach considered by the Board in its sole discretion, to be material, insofar as the conduct (act or omission) of any employee, agent, contractor (including sub-contractor) of a Member is concerned, to either withdraw, suspend or restrict entry of such person/s to the Township on such conditions as the Board (again in its sole discretion) considers appropriate.
- 11.11.2 In the event of the imposition of any such sanction by the Board, the Manager shall be informed accordingly and any entry disk/card issued to any such offending person shall be withdrawn/invalidated.
- 11.11.3 The imposition of any such sanction shall not derogate from the rights of the Association to enforce any other rights or remedies (including the imposition of any fine) against the relevant Member.

12. COMMITTEES

- 12.1 The Board shall be entitled to appoint Committees for such purposes as deemed fit, and whether to act in an advisory capacity or for any other function, the Board having the right, as referred to elsewhere in these Articles to delegate such duties, powers and authorities to any such Committee, as considered necessary, with the further power to vary, limit or revoke any such delegations as deemed necessary, from time to time.
- 12.2 Committees shall be appointed by the Board, which may, for such purposes appoint 1 (One) or more Directors to serve on such Committee, the chairperson of the Committee to be, where a Director is a member of such Committee, such director, and failing which, the Committee members shall appoint 1 (One) of their members to serve as chairperson.
- 12.3 Each Committee shall be responsible to the Board and report to it and promptly furnish the Board with a copy of the minutes of each Committee meeting.

S2563
SJSK/na/D4/2008.07.30

- 12.4 Each Committee shall meet and govern its proceedings as determined by its members and all resolutions of a Committee shall be determined by majority vote, and in the event of an equality of votes, the chairperson shall have a second or casting vote.
- 12.5 The Board shall have the right to revoke any appointment to the Committee and/or to supplement the number of members of a Committee.
- 12.6 The Board, when appointing a Committee, shall clearly express the terms of reference applicable to such Committee, including whether its duration shall be of limited application, or be for a fixed period or purpose.
- 12.7 ARC
- 12.7.1 The ARC shall be comprised of:
- 12.7.1.1 during the Development Period, an architect and/or suitably qualified professional appointed by the Developer, the Manager (if already appointed) and any other individuals recommended by the Board, and as approved by the Developer;
- 12.7.1.2 after the Development Period, an architect and such other professionals deemed necessary and appointed by the Board.
- 12.7.2 The ARC shall act, *inter alia*, as an Aesthetics Committee for purposes of establishing, reviewing and applying the Development and Architectural Controls with the purpose of ensuring that the developments by Members of their Erven maintain the required aesthetics and standards, applying the criteria as contained in the Development and Architectural Controls (and as referred to elsewhere in these Articles) and to ensure that the interest of the Members with respect to the Township are preserved and enhanced.
- 12.7.3 During the Development Period the ARC shall meet as frequently as deemed necessary by the chairperson thereof and in all events no less frequently than on 4 (Four) occasions during the Financial Year.
- 12.7.4 The chairperson of the ARC shall, as has been indicated elsewhere in these Articles, be a Director or other person nominated by the Board.
- 12.7.5 The Board shall have the right, having regard to the Legislation in force from time to time and as otherwise deemed necessary, to amend, add to or otherwise vary the provisions of the Development and Architectural Controls.
- 12.7.6 The ARC shall, when approving any sketches, drawings and building plans, take into

S2563
SJSK/na/D4/2008.07.30

account (and the Members shall ensure in the course of its development) that all improvements and other works in respect of its Erf) are not in conflict with the Conditions of Establishment and the prescriptions as contained in the Environmental Documents, the foregoing to apply similarly to the landscaping of the Erf.

- 12.7.7 The ARC shall be entitled, on behalf of the Association, to stipulate that the required landscaping be effected as soon as possible and have commenced and be completed prior to completion of the building works on the Erf.
- 12.7.8 Members shall furthermore, with respect to the planning of the development on their Erf, be aware of the canal which comprises a POS site (Erf 567), as well as the relevant wetland areas and storm water runoff, control and management areas (as comprise of the POS).
- 12.7.9 Each Member shall be responsible for any costs incurred with respect to the location of the boundaries of its Erf and any relevant pegs or other markers.
- 12.7.10 Each Member shall furthermore be solely responsible for the costs payable to the Local Authority (or any other Competent Authority) relating to the submission and approval of any plans and the approval of the improvements comprising the Member's development (on its Erf) and the issue of any Certificate of Occupancy or other certificates required in terms the relevant Legislation.
- 12.7.11 The ARC shall furthermore be required to have approved the nature and extent of any signage to be erected or displayed on the Erf (including any improvements thereto) as well as any hoardings, exterior lighting and, as indicated elsewhere in these Articles, the basis of installation and location of any plant and machinery.
- 12.7.12 Members shall pay to the Association on submission of any sketches, plans or drawings (and in respect of any other matters, which require the prior approval of the ARC) its stipulated scrutineering/approval fees, as shall be prescribed by the Board and made available from the Management Office (and displayed on the Website) from time to time.

13. MINUTES/REGISTERS

- 13.1 The Board shall, as required in terms of the Act, and the provisions of these Articles cause minutes to be kept of all meetings of the Board and general meetings of Members.
- 13.2 Such minutes, including the minutes of Committees shall be retained in appropriate Minute Books, which shall be accessible to the Directors, Members, Auditors and

S2563
SJSK/na/D4/2008.07.30

Manager (as provided in these Articles).

- 13.3 The minutes shall be so kept in the Minute Books once approved, where relevant, by the Chairperson, and where relevant, confirmed by the Members in general meeting and by the Board.
- 13.4 The Board shall further maintain registers with respect to the Members, the PQ and reflecting the voting rights attaching to each Erf (and as are otherwise required in terms of the Act or the provisions of these Articles).
- 13.5 Extracts may be made by the entitled persons from the minutes, and copies provided against payment of the reasonable costs involved to the Association.

14. LEVIES

- 14.1 The Board may, subject to the provisions of these Articles, from time to time impose Levies upon Members for the purposes of meeting all the expenses, which the Association has incurred or which the Board reasonably anticipates shall be required in the attainment of the Association's objects or the pursuit of its business.
- 14.2 Levies shall however be limited to the objects and purposes of the Association in the pursuit of its business as set out in the Memorandum of Association and these Articles.
- 14.3 The Board shall not less than 30 (Thirty) days prior to the end of each Financial Year, or so soon thereafter as is reasonably possible, prepare an estimate in reasonable detail of the amount, which shall be required by the Association to meet its expenses during the ensuing Financial Year, and shall specify separately such estimated deficit, or surplus, if any, resulting from the preceding year; the Board may include in such estimate, an amount to be held in reserve to meet anticipated expenditure not of an annual or recurring nature ("the Reserve Fund").
- 14.4 Such estimate shall, for convenience, be termed "the Levy Budget" and which shall be disseminated to the Members and Managing Agent in the manner permitted in terms of these Articles (and displayed on the Website).
- 14.5 The Levy Budget shall be accompanied by a schedule indicating the amount of the Levies payable by each Member (including the amount, which shall be attributed to the Reserve Fund (to be determined in accordance with the PQ).
- 14.6 Where a Sectional Title Scheme has been established with respect to any Erf, the Levies shall be payable by the body corporate of such Sectional Title Scheme and the Association shall not be obliged, unless otherwise resolved by the Members, in general

S2563
SJSK/na/D4/2008.07.30

meeting, to apportion the Levies to the Owners of each Section in such Sectional Title Scheme.

- 14.7 Where it has been so resolved that the Levies payable with respect to any Erf, shall be charged to and payable by the individual Owners of the Sections in such Sectional Title Scheme, the Board shall be entitled to levy an additional administration charge with respect to the rendering of the individual Levies' statements to such Owners.
- 14.8 Should the Board for any reason have failed to prepare and/or submit the Levy Budget to the Members timeously, every Member shall, until service of such Levy Budget continue to pay the Levies as previously imposed, and shall after receipt thereof pay such (newly) applicable Levies as indicated in the Levy Budget, including any shortfall arising from the commencement of the affected Financial Year.
- 14.9 The Board may furthermore, from time to time, impose Special Levies upon Members in respect of such expenditure, which was not anticipated or included in the Levy Budget and may, in imposing such Special Levies further determine the terms for payment thereof.
- 14.10 The Board shall be entitled, in addition to the other rights available to the Association, to levy a rate of interest from time to time chargeable upon arrear Levies and any other amounts due by Members to the Association, the rate of interest not to exceed the Prime Rate plus such percentage as may be determined by the Board, from time to time, calculated on daily balance and compounded monthly in arrear.
- 14.11 All amounts due by a Member by way of Levies, interest and any other amounts due by a Member to the Association shall constitute a debt recoverable as referred to elsewhere in these Articles, and no transfer of any Erf by a Member shall be permitted until the full extent of the debt, interest and, if applicable, legal costs has been paid or suitably guaranteed to the Association.
- 14.12 The obligation of a Member to pay Levies shall terminate upon cessation of Membership, without prejudice to the Association's rights to recover any debt, as aforementioned, and no interest paid with respect to Levies shall be repayable by the Association, in any circumstances, upon cessation of membership.
- 14.13 A Member's successor-in-title to an Erf shall be liable from the earlier of the date upon which such Erf is transferred into the name of such successor-in-title or the date upon which the successor-in-title becomes a Member.
- 14.14 The Board shall, when rendering any statement with respect to Levies or other amounts due by a Member to the Association, indicate the attribution of any particular costs

S2563
SJSK/na/D4/2008.07.30

incurred specifically with regard to a specific Erf and similarly, if relevant, assign those costs directly attributable to the Developer, (and which latter expenditure shall not be recoverable from the Members); the Board may furthermore, in its discretion, where it is considered equitable to do so, assign to any Member any greater or lesser share of any particular costs as may be considered reasonable in the circumstances.

- 14.15 For the purposes of determining the amount of any contributions payable by the Developer in respect of the Levies, the Developer shall be deemed to be the Owner of each Erf remaining registered in its name.
- 14.16 The Board is further empowered to enter into agreements with the Developer for the provision of a capital sum and/or of equipment to the Association, in lieu of Levies.
- 14.17 The Association shall not be burdened with any costs incurred with respect to the discharge by the Developer of its obligations relating to compliance with the Conditions of Establishment, nor the obligations assumed by the Developer in terms of any Deed of Sale entered into with any Member, nor with respect to the erection of the barriers (as referred to elsewhere in this agreement) and the transfer of the POA Sites to the Association, the erection and provision of security installations and related services.
- 14.18 The Levies payable to the Association shall be payable without deduction, remission or set-off to the Association by no later than the 2nd (second) business day of each month, in advance (the Levies determined in accordance with the Levy Budget for the relevant Financial Year shall be payable in 12 (Twelve) equal monthly instalments).
- 14.19 During the Development Period and pending the registration of the Association, Members shall pay the estimated Levies as determined by the Developer, the obligation of the Member to pay the Levies as determined by the Association (after its incorporation) to be payable from the date as indicated in the (first) Levy Budget to be disseminated to Members, the Developer remaining responsible for any deficiency arising with respect to the period prior to the first payment due in terms of the (first) Levy Budget.
- 14.20 Should any dispute at any time arise with respect to the amount of any Levy due by a Member, such dispute shall be referred to the Auditors for decision, and the Auditors' decision shall be final and binding upon the affected Member and the Association.
- 14.21 Any debts due to the Association shall be allocated in the order of preference as follows: legal costs (if applicable), interest (if applicable) and finally the amount of the capital debt (whether comprising of the Levies and/or any other amounts due to the Association).

S2563

SJSK/na/D4/2008.07.30

- 14.22 In determining the Levy Budget, the Board shall take into account the following (the list not being exhaustive):
- 14.22.1 the S&O payable by the Association in respect of services and utilities relating to the POA Sites, security installations, communication services and the like;
 - 14.22.2 all short term insurance premia;
 - 14.22.3 any services required by the Association in the pursuit of its business;
 - 14.22.4 maintenance, repairs and replacements;
 - 14.22.5 salaries and wages payable to the Association staff;
 - 14.22.6 the fees and other charges payable to the Manager;
 - 14.22.7 the amounts due to agents and contractors;
 - 14.22.8 all other reasonably anticipated expenses, audit charges and the like, which would commonly be taken into account in the determination of a Levy Budget.
- 14.23 When empowered to do by a resolution of Members passed at a general meeting, the Board shall be entitled to raise a loan and enter into an agreement with a registered bank or other financial institution, in terms of which funds are borrowed for any particular purpose, where the funds of the Association (including any Reserve Fund) are inadequate for any such specific purposes.

15. ACCOUNTING RECORDS/MANAGEMENT ACCOUNTS

- 15.1 The Board shall cause such accounting records as are prescribed by the Act, and as are otherwise required to fairly reflect the state of affairs and business of the Association, to be kept.
- 15.2 The accounting records shall, in addition to the other documents, described in these Articles, be maintained at the Management Office (or such other office in Pretoria as may be determined by the Board) and shall similarly be open for inspection by the Directors and Members.
- 15.3 The accounting records shall be examined by the Auditors, regulated and reported upon in accordance with the provisions of Chapter "X" of the Act, the Board being responsible for ensuring that the accounting records are duly written up and otherwise maintained in accordance with generally accepted accounting practice.