

Memorandum of Incorporation
Of
VCCE Master Homeowners Association NPC

Registration No. 2005/004683/08

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1 Adoption of this Memorandum of Incorporation

1.1 The company resolved by a special resolution of the members passed on 15th October 2015 to amend its existing Memorandum and Articles of Association by replacing those documents in their entirety with this Memorandum of Incorporation.

1.2 This Memorandum of Incorporation is a document unique to the company, as contemplated in section 13(1) (a) (ii) of the Companies Act.

2 Incorporation and nature of the company

2.1 The company is a non-profit company as defined in the Companies Act.

2.2 The company is also a "pre-existing company" as defined in paragraph (a) (i) of the definition of "company" in section 1 of the Companies Act. As such, the company continues to exist as a non-profit company as if it had been incorporated and registered in terms of the Companies Act (as provided for in item 2 of Schedule 5 to that Act).

2.3 The company is incorporated in accordance with and governed by:

2.3.1 the unalterable provisions of the Companies Act, subject to any higher standards, greater restrictions, longer periods of time or more onerous requirements set out in this Memorandum of Incorporation; and

2.3.2 the alterable provisions of the Companies Act, subject to any negation, restriction, limitation, qualification, extension or other alteration contemplated in an alterable provision and noted in this Memorandum of Incorporation; and

2.3.3 The provisions of this Memorandum of Incorporation.

3 Definitions

3.1 In this Memorandum of Incorporation:

3.1.1 a reference to a section by number refers to the corresponding section of the Companies Act; and

3.1.2 Words that are defined in the Companies Act bear the same meaning in this Memorandum as in that Act.

- 3.2 In this Memorandum of Incorporation, unless the context indicates otherwise:
- 3.2.1 “**architect**” means an accredited architect or designer approved by the Architectural Review Committee as entitled to design buildings on the Estate;
- 3.2.2 “**Architectural Review Committee**” means the committee appointed in terms of this Memorandum of Incorporation to ensure compliance with the Estate Architectural Guidelines;
- 3.2.3 “**auditors**” means the auditors of the company;
- 3.2.4 “**board**” means the Board of Directors of the Company;
- 3.2.5 “**builder**” means an accredited builder approved by the Architectural Review Committee entitled to construct buildings on the Estate;
- 3.2.6 “**commence construction**” means the date on which the company signs the site handover document provided for in the Building Performance Agreement with the member;
- 3.2.7 “**complete construction**” means when the local authority (the Msunduzi Municipality) issues an occupation certificate;
- 3.2.8 “**chairperson**” means the chairperson of the board;
- 3.2.9 “**commercial erf**” means an erf within the Estate zoned for commercial or mixed use;
- 3.2.10 “**common property**” means all those areas that fall outside the residential erven and the commercial erven;
- 3.2.11 “**company**” means the VCCE Master Homeowners Association NPC Registration No. 2005/004683/08;
- 3.2.12 “**Companies Act**” means the Companies Act No. 71 of 2008, as amended from time to time;
- 3.2.13 “**developer**” means Riel Associates (Pty) Ltd (Registration No. 2003/024285/07) or its successor in title as developers of the property;
- 3.2.14 “**director**” means a director of the board;
- 3.2.15 “**dwelling**” means a self-contained, inter-leading group of rooms for a single family, with not more than one kitchen as provided for in the town planning scheme;
- 3.2.16 “**Estate**” means the development known as Victoria Country Club Estate which includes all the amenities built or to be built on the property;

- 3.2.17 **"Estate Architectural Rules"** means the rules setting out the architectural guidelines and building controls applicable to the Estate;
- 3.2.18 **"estate manager"** means any person appointed by the Board as an employee or as a contracted service provider to undertake the management of the Estate;
- 3.2.19 **"financial year"** means the financial year of the company which runs from the first day of March in any year to the last day of February in the subsequent year;
- 3.2.20 **"handover period"** means the period between 3 March 2015 and the date on which the last unit registered in the name of the developer is sold, or a date 10 (ten) years after 3 March 2015, whichever is the sooner;
- 3.2.21 **"landscaping"** includes:
- 3.2.21.1 softscaping, namely the shaping and planting of a garden in a unit; and
- 3.2.21.2 hardscaping, namely walls, paving and structures in a unit's garden;
- 3.2.22 **"municipality"** means the Msunduzi Municipality being the local authority having jurisdiction over the Estate;
- 3.2.23 **"medium density property"** means a property which is indicated as medium density in the town planning scheme, regardless of the method of ownership of that property;
- 3.2.24 **"member"** means a member of the company in terms of clause 7;
- 3.2.25 **"office"** means the registered office of the company;
- 3.2.26 **"property"** means:
- 3.2.26.1 Erf 9200 Pietermaritzburg, Registration Division FT, Province of KwaZulu-Natal;
- 3.2.26.2 Erf 9194 Pietermaritzburg, Registration Division FT, Province of KwaZulu-Natal;
- 3.2.26.3 Erf 9196 Pietermaritzburg, Division FT, Province of KwaZulu-Natal;
- 3.2.26.4 Erf 9197 Pietermaritzburg, Registration Division FT, Province of KwaZulu-Natal;

- 3.2.26.5 the Remainder of Portion 477 of Erf 1531 Pietermaritzburg, Registration Division FT, Province of KwaZulu-Natal; and
- 3.2.26.6 Portion 461 of Erf 1531, Pietermaritzburg, Registration Division FT, Province of KwaZulu-Natal;
- 3.2.27 "**residential erf**" means an erf in the Estate zoned for residential use;
- 3.2.28 "**roads**" means the roads constructed on the property;
- 3.2.29 "**sectional title unit**" means a unit in a Sectional Title development in the Estate;
- 3.2.30 "**services**" means the provision of water, sewerage, electricity, storm-water drainage and roads and such other utilities and amenities as may be provided by the company;
- 3.2.31 "**sporting facilities**" means all sporting facilities provided on the Estate, whether owned by the company, the developer or a third party;
- 3.2.32 "**unit**" means:
- 3.2.32.1 a commercial erf; or
- 3.2.32.2 a residential erf; or
- 3.2.32.3 a sectional title unit; or
- 3.2.32.4 a share in a share block company; or
- 3.2.32.5 a flat;
- in the Estate;
- 3.2.33 "**VAT**" means value added tax at the ruling rate as defined in the Value Added Tax Act (No. 89 of 1991);
- 3.2.34 "**VCC**" means Victoria Country Club, an independent club which adjoins and is integral to the Estate ; and
- 3.2.35 "**vice-chairperson**" means the vice-chairperson of the board;
- 3.2.36 Unless the context otherwise requires:
- 3.2.36.1 words in the singular number shall include the plural and words in the plural number shall include the singular;
- 3.2.36.2 words importing the masculine gender shall include the female gender; and

- 3.2.36.3 words importing natural persons shall include juristic persons, corporate entities and bodies corporate.
- 3.2.37 Whenever a number of days is prescribed in this Memorandum of Incorporation, the number of days must be calculated:
- 3.2.37.1 by excluding the first day and including the last day; and
- 3.2.37.2 so as to include Saturdays, Sundays and public holidays unless the last day falls on a Saturday, Sunday or public holiday, in which case the last day shall be the next ensuing day which is not a Saturday, Sunday or public holiday.

4 Main object

- 4.1 The main object of the company is to manage, promote, advance and protect the communal interests, safety and welfare of the members of the company as owners of units on the Estate, and anything necessary or incidental to this object.
- 4.2 The company:
- 4.2.1 must apply all of its assets and income, however derived, to advance its main object; and
- 4.2.2 subject to clause 4.1, may directly or indirectly, alone or with any other person, carry on any business, trade or undertaking consistent with or ancillary to its main object.

5 Powers of the company

In terms of section 19(1) (b) of the Companies Act a company has all the legal powers and capacity of a natural person except to the extent that a juristic person is incapable of exercising these powers and having these capacities and except to the extent that a company's Memorandum of Incorporation provides otherwise. This company's legal powers and capacity are not subject to any restrictions, limitations or qualifications as contemplated in section 19(1) (b), provided that this company must restrict itself to the main object set out in clause 4.

6 Alterations to this Memorandum of Incorporation

- 6.1 This Memorandum of Incorporation may be amended only by a special resolution adopted by the members or in terms of a court order.

- 6.2 Amendments to this Memorandum of Incorporation may be proposed by:
- 6.2.1 the board; or
 - 6.2.2 Members entitled to exercise at least 10% (ten percent) of the voting rights on the resolution (see section 16 of the Companies Act).
 - 6.2.3 The board shall nevertheless have the power to alter this Memorandum of Incorporation to the extent necessary to correct patent errors in spelling, punctuation, reference, grammar or similar defects as envisaged in section 17(1) of the Companies Act. A notice of such alteration must be published by:
 - 6.2.3.1 delivering a copy of the notice of alteration to each member by ordinary mail; or
 - 6.2.3.2 delivering a copy of the notice of alteration to each member by email. A member shall be deemed to have received a copy of the notice if sent to his or her last known email address.

7 **Membership**

The members of the company shall be any person who is the registered owner of a unit on the Estate.

8 **Termination of membership**

- 8.1 A member is obliged to remain a member of the company for as long as he is the registered owner of a unit.
- 8.2 A member (or his heirs, executors, administrators, curators, assigns, trustees or liquidators) has no claim to the funds or property of the company when he ceases to be a member of the company.
- 8.3 The company may claim from a member (or his heirs, executors, administrators, curators, assigns, trustees or liquidators) any arrear levies, special levies, VAT, interest, legal fees or other sums due by him to the company or the developer at the time the member ceases to be a member.
- 8.4 Levies, special levies, VAT, interest, legal fees and any other sums paid and/or due by a member shall not be repayable by the company to the member upon him ceasing to be a member.

- 8.5 A member's successor in title to a unit shall be liable to pay the levies, special levies, VAT, interest, legal fees or any other sums attributable to that unit as from the date upon which he becomes a member pursuant to the transfer of that unit into his name.

9 Sale and transfer of units

- 9.1 A member shall not sell or otherwise agree to alienate a unit unless it is a condition of the agreement of sale that:
- 9.1.1 the purchaser is obliged, to the satisfaction of the company, as a contract for the benefit of the company to become a member of the company upon registration of transfer of the unit to him; and
 - 9.1.2 registration of transfer of that unit into the name of the member will automatically constitute the member as a member of the company; and
 - 9.1.3 the purchaser is obliged to become a member of VCC as envisaged by clause 75
- 9.2 No member shall transfer a unit of which he is the registered owner unless the company has certified in writing that:
- 9.2.1 all levy contributions and other amounts owing by the member to the company have been paid prior to the transfer or that prior provision has been made to the satisfaction of the board for payment at registration;
 - 9.2.2 the purchaser's contribution to the Levy Stabilisation Fund has been paid or that prior provision has been made to the satisfaction of the board for payment of registration;
 - 9.2.3 the proposed transferee has agreed in writing, to the satisfaction of the board, to become a member of the company; and
 - 9.2.4 the purchaser has notified the company in writing of his address and contact details as required in clause 78
- 9.3 Conditions of title must be registered against every unit to give effect to clause 9.2 in all transfers registered after the adoption of this Memorandum of Incorporation.
- 9.4 The company is entitled to charge an administrative fee for providing a certificate in terms of this clause, in an amount to be determined by the board from time to time.

10 **Co-ownership of units**

- 10.1 Where a unit is owned by more than one registered owner, all the owners of that unit shall together be deemed to be one member of the company.
- 10.2 The co-owners must:
- 10.2.1 elect 1 (one) of the co-owners as the contact person for the unit; and
- 10.2.2 notify the company of the name and address of the contact person.
- 10.3 Any notices served by the company on the contact person shall be deemed to be service upon all the co-owners.
- 10.4 If the co-owners fail to elect a contact person, or to notify the company of the contact person's details, then service of notices by the company may be upon any one of the co-owners and this shall be deemed to be service upon all co-owners.

11 **Member's rights**

- 11.1 The rights and obligations of a member are not transferable, but may be ceded as security for a mortgage loan on that member's unit.
- 11.2 A member shall at all times further the objects and interests of the company to the best of his or her ability and shall observe all the rules made by the company and the board.

12 **Rights and the benefits of membership**

A member who is in default of his obligation to pay any levies, special levies, VAT, legal fees or any other sums due to the company, or who is in breach of this Memorandum of Incorporation or any rules made pursuant to this Memorandum of Incorporation, shall not be entitled to attend, speak or vote at any meeting of the company, or to hold office as director and together with his family members, employees and guests, shall not be entitled to use the Estate's facilities.

13. Member's Meetings

- 13.1 The Companies Act provides when members' meetings must be held, but allows for a company's Memorandum of Incorporation to provide for additional members' meetings. As contemplated in section 61(2) of the Companies Act, the company is required, in addition to the members' meetings required in terms of the Companies Act, to hold its annual general meeting within 6 (six) months after the end of each financial year.
- 13.2 Other general meetings shall be called at the discretion of the board (subject to the provisions of the Companies Act and this Memorandum of Incorporation) and shall be called extraordinary general meetings.

14. Notice of members' meetings

- 14.1 The minimum number of days' notice which this company is required to give for a members' meeting is as follows:
- 14.1.1 an annual general meeting and a meeting called for the passing of a special resolution: 21 (twenty one) clear days' notice in writing; and
- 14.1.2 any other extraordinary general meeting: 14 (fourteen) clear days' notice in writing.
- 14.2 Notice of members' meetings must be in writing and may be transmitted by post, hand delivery, telefax or e-mail.

15. Members' right to requisition a meeting

The chairperson or failing him the board must call an extraordinary general meeting if such meeting is requisitioned in writing by members who together represent 10% (ten percent) of all members entitled to vote..

16. Venue of members' meetings

The authority of the board to determine the location of any members' meetings, as set out in section 61(9) of the Companies Act, is limited or restricted to the meeting being held within the Estate or within a 10 (ten) kilometre radius of the Estate.

17. Quorum for members' meetings

- 17.1 A members' meeting may not begin, and a particular matter shall not begin to be considered at a members meeting, unless a quorum is present. The quorum shall be members who together represent 10 (ten percent) in number of all members entitled to vote.
- 17.2 If within 30 (thirty) minutes after the appointed time for a meeting to begin, the quorum is not present, the meeting shall stand adjourned to the same day in the next week at the same place and time, or at such other place as the chairperson of the meeting shall appoint, and if at such adjourned meeting a quorum is not present within 30 (thirty) minutes from the time appointed for holding the meeting, the members present shall constitute a quorum.
- 17.3 If within 30 (thirty) minutes after the appointed time for consideration of a particular matter the requirements for that matter to begin to be considered have not been satisfied:
- 17.3.1 if there is other business on the agenda of the meeting, consideration of that matter may be postponed to a later time in the meeting without any motion or vote; and
- 17.3.2 if there is no other business on the agenda of the meeting, the meeting is adjourned, without motion or vote, for one week.
- 17.4 The person intended to chair a meeting that cannot begin because a quorum is not present may extend the 30 (thirty) minute limit for a reasonable period on the grounds that:
- 17.4.1 exceptional circumstances affecting weather, transportation or electronic communication have generally impeded or are generally impeding the ability of members to be present at the meeting; or
- 17.4.2 one or more particular members, having been delayed, have communicated an intention to attend the meeting, and those members together with those already present would satisfy the quorum requirements.
- 17.5 The company shall not be required to give further notice of a meeting that has been postponed in terms of clauses 0 or 0, unless:
- 17.5.1 the location of the meeting is different from the location of the adjourned meeting or from the location as announced at the time of the adjournment; or

17.5.2 the starting time of the meeting is different from the starting time of the adjourned meeting or from the starting time as announced at the time of the adjournment.

17.6 After a quorum has been established for a meeting, or for a matter to be considered at a meeting, the meeting may continue, or the matter may be considered, so long as at least 1 (one) member with voting rights entitled to be exercised at the meeting, or on that matter, is present.

18. Agenda at annual general meetings

The following matters shall be dealt with at every annual general meeting:

18.1 the consideration of the chairperson's report;

18.2 the election of directors;

18.3 the consideration of any resolutions proposed for adoption by such meeting (including special resolutions), and the voting upon any such resolutions;

18.4 the consideration of the audited annual financial statements of the company for the financial year of the company preceding the date of such meeting;

18.5 the consideration of the report of the auditors;

18.6 the noting of the levy and budget for the financial year during which such annual general meeting takes place; and

12.7 the appointment of auditors.

19. Proxies

19.1 A member may be represented at an annual general meeting or extraordinary general meeting by a proxy who need not be a member of the company.

19.2 The instrument appointing a proxy must be in writing, dated and signed by the member or his duly authorised agent, but need not be in any particular form. A proxy appointment remains valid for a period of 1 (one) month from the date on which it was signed, unless it is revoked in writing or substituted by a later inconsistent appointment and a copy of the revocation instrument is delivered to the company.

- 19.3 Where a unit is owned by more than 1 (one) registered owner, the proxy instrument must be signed by a majority of these owners. Where a unit is owned by a company, the proxy must be signed by a director of the company or by its secretary, and where a unit is owned by an association of persons, the proxy must be signed by a duly authorised representative of the association.
- 19.4 The instrument appointing a proxy and the power of attorney or other authority [if any] under which it is signed, or a notarially certified copy of these documents, must be delivered, emailed or faxed to the office at least 24 (twenty four) hours before the time appointed for the commencement of the meeting concerned (or the adjourned meeting), unless the chairperson directs that a lesser period applies.
- 19.5 A vote given in terms of an instrument of proxy shall be valid even if the principal has died or has revoked the proxy, provided that the company has not received written notification of the death or revocation at least 24 (twenty four) hours before the time for the meeting to begin.
- 19.6 The right of a member of the company to appoint two or more persons concurrently as proxies, as set out in section 58(3) (a) of the Companies Act, is excluded.
- 19.7 The right of a member of the company to appoint more than one proxy to exercise voting rights attached to different securities, as set out in section 58(3)(a), is excluded.
- 19.8 The authority of a member's proxy to delegate the proxy's powers to another person subject to any restriction contained in the instrument appointing the proxy, as set out in section 58(3)(b) of the Companies Act, is excluded.
- 19.9 The authority of a member's proxy to exercise, or abstain from exercising, any voting right of the member without direction from the member (except to the extent that the instrument appointing the proxy provides otherwise), as set out in section 58(7) of the Companies Act, is not limited or restricted by this Memorandum of Incorporation.

20. Electronic participation in members' meetings

- 20.1 Any members' meeting may be conducted entirely by electronic communication, or one or more members, or proxies of members may participate by electronic communication in all or part of any members' meeting that is being held in person, so long as the electronic communication being used enables all persons participating in the

meeting to communicate concurrently with each other and without an intermediary, and to participate reasonably effectively in the meeting.

- 20.2 Any notice of a members' meeting at which it will be possible for members to participate by way of electronic communication shall inform members of the ability to participate in this way and shall provide the necessary information to enable members or their proxies to access the available medium or means of electronic communication, provided that such access shall be at the expense of the member or proxy concerned.

21. Member's voting

- 21.1 At every general meeting every member, in person or by proxy, and entitled to vote shall have 1 (one) vote for each unit registered in his name.

- 21.2 The following restrictions apply to voting:

- 21.2.1 a member who is in arrears with levies or any other sum owed to the company, as at the record date, may not vote, in person or by proxy, at any general meeting; and

- 21.2.2 if a unit is registered in the name of more than 1 (one) person, then all such co-owners shall jointly have 1 (one) vote.

- 21.3 Every resolution proposed for adoption by a general meeting, and every amendment of a resolution proposed for adoption by a general meeting, shall be:

- 21.3.1 provided to the company in writing at least 72 (seventy two) hours before the agenda is printed and distributed; and

- 21.3.2 seconded at the meeting and, if not so seconded, shall be deemed not to have been proposed.

- 21.4 At any meeting of the company a resolution put to the vote shall be decided on a show of hands, unless:

- 21.4.1 the chairperson of the meeting directs otherwise; or

- 12.7.2 a member demands a poll.

- 21.5 If voting is decided on a show of hands, then a declaration by the chairperson that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or defeated, and an entry in the minutes of the meeting recording this fact, shall be

conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour or against the resolution.

- 21.6 A demand for a poll may be withdrawn.
- 21.7 If voting is to be decided by a poll, then voting shall be by way of a secret poll taken during the course of the meeting or alternatively in such other manner as the chairperson of the meeting may direct.
- 21.8 Voting on the election of a chairperson of a general meeting [if necessary] or on any question of adjournment, shall be decided on a show of hands by a majority of the members present in person or by proxy and entitled to vote.
- 21.9 The chairperson shall not have a second or casting vote at a general meeting.

22. **HANDOVER AGREEMENT**

- 22.1 Notwithstanding anything else contained in this Memorandum of Incorporation, the company shall:
- 22.1.1 not require the developer to pay a levy on any unsold properties or units registered in the name of the developer, provided that any such property or unit which is improved by the erection of a building will attract payment of a levy from date of occupation or transfer, whichever occurs first;
- 22.1.2 condone the non-payment of levies by a *bona fide* developer, where such non-payment was agreed to by the developer prior to 1 February 2015;
- 22.1.3 not hinder or frustrate the registration by the developer of new servitudes for services and other infrastructure over properties registered in the name of the developer;
- 22.1.4 provide its full co-operation and support to the developer in the development, marketing and sale of the developer's remaining properties, including the rezoning and development of all or any portion thereof;
- 22.1.5 together with the developer define and implement a vision and strategic plan for the Estate;

- 22.1.6 support the on-going implementation of the relevant provisions of the land development application approval and record of decision, township conditions of establishment, land sale agreements between the developer and the municipality, services agreement and developer agreements with VCC and Ezemvelo KZN Wildlife;
- 22.1.7 not remove, reduce, waive or otherwise interfere with the existing building deadlines and building periods applicable to units;
- 22.1.8 not remove, reduce or waive the developer's pre-emptive right to purchase or auction any property on which any building has not been completed within the building deadline;
- 22.1.9 not reduce or waive the developer's right to demand and receive fees from members for extensions to building deadlines or penalties payable for breach of building deadlines and building periods;
- 22.1.10 on request by the developer, invoice members for any fees and/or penalties referred to in clause 22.1.19 above;
- 22.1.11 give consideration to continued membership by the company of the Association of Residential Communities and the Residential Community Council.

23. Members' resolutions

- 23.1 For an ordinary resolution to be adopted at a members' meeting of this company, it must be supported by the holders of more than 50% of the voting rights exercised on the resolution at the meeting.
- 23.2 For a special resolution to be adopted at a members' meeting of this company, it must be supported by at least 75% of the voting rights exercised on the resolution at a members' meeting.

24. Round robin resolutions: by members

Section 60 of the Companies Act provides that, except to the extent that a company's Memorandum of Incorporation provides otherwise, a resolution may be voted on in writing (without a meeting being held) and will be adopted if it is supported by persons entitled to exercise sufficient voting rights for it to have been adopted as an ordinary or special resolution, as the case may be,

at a properly constituted member's meeting. Any business required to be conducted at the company's annual general meeting may not be conducted in this manner.

25. Member's right to information

Section 26(1) of the Companies Act gives every person who has a beneficial interest in a company's securities the right of access to the following information and documents: the company's Memorandum of Incorporation; any amendments to the Memorandum of Incorporation; the company's rules; certain records relating to directors; reports to annual meetings; the annual financial statements; notices and minutes of annual meetings and other members' meetings and the members' register. Section 26(3) provides that the Memorandum of Incorporation of a company may establish additional information rights for persons who have a beneficial interest in a company's securities. In the case of this company, every person who has a beneficial interest in this company's securities has the following right to access information in addition to those rights set out in section 26(1) of the Companies Act: the right to view the minutes of the meetings of the board at the office of the estate manager during office hours.

26. Record date for exercise of members' rights

If at any time the board fails to determine a record date, as contemplated in section 59(3) of the Companies Act, the record date for the relevant matter is as determined in accordance with section 59(3) of the Companies Act, namely:

- 26.1 in the case of a meeting, the latest date by which the company is required to give members notice of that meeting; and
- 26.2 in any other case, the date of the action or event.

27. Composition of the board

- 27.1 The board must at all times comprise not less than 5 (five) and not more than 12 (twelve) directors.
- 27.2 During the handover period, the board shall comprise:
 - 27.2.1 not less than 4 (four) nor more 10 (ten) directors elected by the members; and
 - 27.2.2 not more than 2 (two) directors nominated by the developer.
- 27.3 After the handover period, the Developer shall no longer be entitled to appoint a director in terms of Clause 26.2.2.

28. Term of office

A term of office shall be 3 years from the date of the election of the Director. A Director shall be eligible for re-election for additional terms in office.

29. Election of directors

29.1 Where a director is required to be elected, all the names of the candidates will appear on a ballot paper and the members will elect in a single vote, their preferred candidates, according to the number of vacancies.

29.2 Each vote may be exercised once and the candidates who attract the most votes will be elected.

30. Co-opting of directors onto board

The board may appoint a qualified person to fill any vacancy on the board on a temporary basis until the next annual general meeting, as contemplated in section 68(3) of the Companies Act.

31. Qualification to act as a director

A director must be a natural person who is either the owner of a unit, or the authorised representative of the owner of a unit.

32. Vacation of office as director

A director shall be deemed to have vacated his or her office if:

32.1 he commits an act of insolvency;

32.2 his estate is sequestrated;

32.3 he is convicted for any offence involving dishonesty;

32.4 he becomes of unsound mind or is found to be lunatic;

32.5 he resigns from office in writing;

32.6 he dies;

32.7 he is removed from office in terms of the Companies Act; or

- 32.8 he is in default of his obligation to pay levies, VAT, interest, legal fees or any other sums due to the company.

33. Electronic participation in directors' meetings

The authority of the directors to conduct a meeting entirely by electronic communication, or to provide for participation in a meeting by electronic communication, as set out in section 73(3), is not limited or restricted by this Memorandum of Incorporation.

34. Notice of directors' meetings

- 34.1 The board may determine the form in which notice of its meetings is given, as well as the time for giving notice.
- 34.2 The authority of the board to proceed with a meeting despite a failure or defect in giving notice of the meeting, as set out in section 73(5)(a) of the Companies Act, is not limited or restricted by this Memorandum of Incorporation.

35. Director's right to requisition a meeting

The chairperson of the board must call a directors' meeting if a demand is made by 2 (two) or more directors.

36. Quorum for directors' meetings

A directors' meeting may not begin unless a quorum is present. A majority of directors must be present in order to constitute a quorum.

37. Voting at directors' meetings

- 37.1 Each director has 1 (one) vote on a matter before the board.
- 37.2 A resolution is approved if it is supported by a majority of the votes cast at a directors' meeting.
- 37.3 The chairperson of the board has a second or casting vote at directors' meetings in the event of a deadlock in voting by the directors.

38. Round robin resolutions: directors

Section 74 of the Companies Act provides that, except to the extent that a company's Memorandum of Incorporation provides otherwise, a decision of the board may be adopted by written consent of a majority of the directors (without a meeting being held) if each director has received notice of the

matter to be decided. The authority of the board to consider a matter other than at a meeting, as set out in section 74, is not limited or restricted by this Memorandum of Incorporation.

39. Appointment of chairperson and vice-chairperson

The directors shall appoint from their number a chairperson and vice-chairperson at the first meeting after each annual general meeting.

40. Director's remuneration

A director shall be entitled to be repaid all reasonable and genuine disbursements incurred by him in or about the performance of his or her duties as director, chairperson or vice-chairperson, subject to the approval of the finance committee.

41. Control of meetings

- 41.1 The chairperson presides at all meetings of the board, and all general meetings of members, and shall perform all duties incidental to the office of chairperson and such other duties as may be prescribed by the board.
- 41.2 If at any meeting of the directors the chairperson is not present within 5 (five) minutes after the time appointed for the start of the meeting, then the vice-chairperson shall act as chairperson of that meeting and shall exercise all the powers and duties of the chairperson in relation to that meeting. If the vice-chairperson is also not present within 5 (five) minutes after the time appointed for the start of the meeting, then those directors present shall appoint a chairperson for the meeting, who shall also exercise all the powers and duties of the chairperson in relation to that meeting.

42. Proceedings at meetings of directors

- 42.1 The directors may meet, adjourn and otherwise regulate their meetings as they deem fit, subject to any provisions of this Memorandum of Incorporation.

- 42.2 Meetings of the directors shall be held at least once every quarter. Minutes must be taken of every directors meeting, although not necessarily verbatim minutes. The minutes must be reduced to writing and shall then be certified correct by the chairperson of the next meeting. All minutes of directors' meetings shall, after certification, be placed in a directors' minute book to be kept in accordance with the requirements of the Companies Act. The directors' minute book shall be open for inspection at all reasonable times by a director, the auditors and any member in good standing.
- 42.3 All competent resolutions recorded in the minutes of any directors' meeting shall be valid and of full force and effect, with effect from the passing of such resolutions, and until varied or rescinded.
- 42.4 Except to the extent set out in this Memorandum of Incorporation, the proceedings at any directors' meeting shall be conducted in such reasonable manner and form, as the chairperson of the meeting shall decide.

43. Functions and powers of the Board

- 43.1 The authority of the board to manage and direct the business and affairs of the company, as set out in section 66(1) of the Companies Act, is not limited or restricted by this Memorandum of Incorporation.
- 43.2 Without limiting the generality of clause 43.1, the directors may in their discretion, from time to time, for the purposes of the company borrow or raise such sum or sums of money as the directors may decide.
- 43.3 Nothing prevents the board from purchasing and taking transfer of a unit on the Estate and, other than in the case of common property, disposing of any such unit for the benefit of the company.

44. Professional advisors

The board has the right to engage, on behalf of the company, the services of accountants, auditors, attorneys, advocates, architects, engineers, any other professional person or firm and/or any other employees whatsoever for any reason deemed necessary by the board and on such terms as the board shall decide, subject to any of the provisions of this Memorandum of Incorporation.

45. Indemnification of directors and officers

- 45.1 The authority of this company to advance expenses to a director or officer of the company to defend legal proceedings arising out of his or her service to the company, as set out in section 78(4) of the Companies Act, is limited, restricted or extended only to the following extent: if the director or officer is found to be liable for a breach of common law or statutory duty or is found guilty of a criminal offence, then the director or officer shall reimburse the company for these expenses within 30 (thirty) days of the finding (regardless of whether or not the director or officer appeals the finding and provided that, if the finding is overturned on appeal, then the company shall reimburse the director or officer for expenses incurred in the initial proceedings and in the appeal).
- 45.2 The company must indemnify a director or officer, as set out in section 78(5) of the Companies Act, for expenses incurred in defending legal proceedings arising out of his or her service to the company if the legal proceedings are abandoned or the director or officer is not held to be liable [a company may not indemnify a director or officer for wilful misconduct, wilful breach of trust or for liability arising in terms of sections 77(3)(a), (b) and (c) of the Companies Act].
- 45.3 The company must acquire and fund insurance to protect the company, a director or an officer against any liability or expense for which the company is permitted to indemnify the director or officer, as set out in section 78(7) of the Companies Act.

46. Variation of decisions

The board shall have the right to vary, cancel or modify any of its decisions and resolutions from time to time.

47. Appointment and authority of committees

- 47.1 The board may appoint committees of directors and delegate to any such committee any of the authority of the board, as set out in section 72(1) of the Companies Act.
- 47.2 The authority of a committee appointed by the board to consult with or receive advice from any person, and to exercise the full authority of the board on matters referred to it, as set out in section 72(2)(b) and (c) of the Companies Act, is not limited or restricted by this Memorandum of Incorporation.

48. Composition of committees

The authority of the board to include in any committee persons who are not directors, as set out in section 72(2) (a), is not limited or restricted by this Memorandum of Incorporation.

49. Finance committee

There shall be established a finance committee, which shall consist of:

- 49.1 no less than 2 (two) persons appointed by the board; and
- 49.2 the estate manager.

50. Budget

50.1 The finance committee must prepare a budget to meet the expenses of the company during each financial year. The budget must:

- 50.1.1 specify any estimated deficiency which will result from the preceding financial year; and
- 50.1.2 include an amount to be held in reserve to meet anticipated future expenditure not of an annual nature.

50.2 The budget must be prepared and delivered to the members not less than 30 (thirty) days before the end of each financial year (or as soon as reasonably possible thereafter). The budget must estimate, in reasonable detail, the amount which shall be required by the company to meet the expenses during the following financial year, and shall specify separately such estimated deficiency, if any, as shall result from the preceding year. The finance committee may include in such estimate an amount to be held in reserve to meet anticipated future expenditure not of an annual nature.

50.3 The budget must be accompanied by a notice specifying the levy payable by each member as a contribution to the expenses and reserve fund.

50.4 If the finance committee fails for any reason to prepare the budget or to notify members of the levies, then every member shall (until the budget and levy notice has been issued) continue to pay the levy imposed in the previous financial year as an interim measure.

51. Levies

The finance committee shall, from time to time, but at least annually establish and maintain a levy fund for the purpose of meeting all the expenses which the company has incurred, or which the directors reasonably anticipate the company will incur (which may include a reasonable provision for contingencies) for the ensuing financial year, in the furtherance of the company's objects.

52. Purpose of levies

52.1 Levies are intended to cover costs incurred by the company in:

52.1.1 maintaining, repairing and improving the roads, open spaces and services, the perimeter fence, and any buildings, structures, erections and other improvements on common property on the Estate;

52.1.2 paying rates and other charges payable by the company in respect of the erven vested in the company and services provided to the company;

52.1.3 paying the salaries and wages of employees;

52.1.4 paying all other expenses necessarily or reasonably incurred in connection with the management of the company, the Estate, and the company's affairs including any expenses reasonably or necessarily incurred in the attainment of the objects of the company or in the pursuit of its business; and

52.1.5 any subscriptions or other amounts payable by the company on behalf of a member or members to VCC, pursuant to any arrangement that may be concluded between the company and VCC.

52.2 Levies shall not cover the consumption of water and electricity, sewerage or the maintenance or improvements of the units. These expenses shall be for the account of the member.

53. Calculating levies

53.1 In calculating the levy, the finance committee must take into account all expenses which the company has incurred, or which it reasonably might be anticipated will be incurred.

53.2 The board must, on the recommendation of the finance committee, determine estate levies and impose such levies on each unit in a manner which it considers to be equitable, taking into account all relevant circumstances, including but not limited to the following:

- 53.2.1 a standard estate levy will be payable for each residential erf;
- 53.2.2 where residential erven have been consolidated after 1 September 2012, the standard estate levy is payable for the first unit plus 25% (twenty five percent) of the standard estate levy for every subsequent unit consolidated, provided that this arrangement will only apply where residential erven have been consolidated to create a single property with one dwelling;
- 53.2.3 a standard estate levy will be payable for every 250 (two hundred and fifty) square metres (or part thereof) of purchased bulk of freestanding or sectionalised office units; and
- 53.2.4 an equitable percentage of the standard estate levy will be payable for each sectional title unit, provided that the board must take into account the size and characteristics of the unit and the scheme, the services provided by the body corporate and any other relevant factors.

54. Developer's levies

- 54.1 The developer is not required to pay a levy on any unsold properties or units registered in the name of the developer, provided that any such property or unit which is improved by the erection of a building will attract payment of the levy from date of occupation or transfer, whichever occurs first.
- 54.2 The developer has the right to transfer and cede its rights to another *bona fide* developer, including the right not to pay levies as set out in clause 54.1, provided that:
- 54.2.1 if the sale relates to a sale of one of the three tranches of properties described below, then the right not to pay levies shall endure until the last property is sold; and
- 54.2.2 if the sale is for a lesser portion of land than the three tranches of properties described below, then the right not to pay levies shall endure for a maximum period of 5 (five) years from the date of transfer of such properties to the third party, and the third party shall have no further right of transfer or cession.
- 54.3 For the purposes of this clause:
- 54.3.1 the three tranches are:
- 38 residential sites registered in the developer's name;
 - 3 commercial sites registered in the developer's name;

- Club House Village registered in the developer's name; and

54.3.2 a *bona fide* developer is a purchaser of the classes of property referred to in paragraph 54.3.1 or who purchases 2 (two) or more units with the intention of consolidating the units and re-zoning the consolidated units.

55. Additional services

- 55.1 The board may, from time to time, resolve to supply additional services to the Estate, including (but not limited to) water and electrical reticulation, waste removal, telephone and Internet services.
- 55.2 If additional services are provided to the Estate by the company, as contemplated in clause 55.1, then the board may (without limiting in any way its power to impose levies) add the cost of providing these services to the levies.

56. Payment of levies

- 56.1 Every levy shall be payable monthly in advance on the first day of each and every month. Levies are exclusive of VAT (i.e. VAT is to be added).
- 56.2 Members may be directed by the Board to pay their levies by stop order or debit order, failing which, the company shall be entitled to charge an administration fee for each month that payment is made in any other way. The administration fee shall be determined by the board from time to time.

57. Interest on levies

Interest shall be charged on overdue levies at such rate as the Board may determine from time to time.

58. Special levies

The board may from time to time:

- 58.1 impose special levies upon the members in respect of any expenses of the company which were not included in the budget or which were under-estimated in the budget;
- 58.2 determine the terms of payment of the special levy; and

- 58.3 determine that a special levy shall be payable exclusively by a specified class of levy payer (or determine that a special levy be allocated on a differential basis between classes of levy payer).

59. Capital expenditure

The finance committee shall not be entitled, without a resolution of members in general meeting, to undertake capital expenditure on any one item which exceeds or is likely to exceed R4,000,000.00 (Four Million Rand). This amount shall be increased annually in accordance with the CPIX as published from time to time, and maybe amended from time to time.

60. Levy Stabilisation Fund

- 60.1 A Levy Stabilisation Fund has been established for the purpose of operational expenditure and capital items identified by the board from time to time.
- 60.2 Whenever a unit is re-sold, the new buyer/member must pay an amount of 1% (one percent) of the purchase price, plus VAT thereon (if applicable) to the Levy Stabilisation Fund on date of transfer to the new buyer/member.
- 60.3 The board may withhold its consent to the transfer of the unit until such time as the conveyancer attending to the transfer of the unit has paid or undertaken to pay the aforesaid amount to the Levy Stabilisation Fund.
- 60.4 If a unit is transferred pursuant to a donation or inheritance, then the contribution to the Levy Stabilisation Fund shall be 1% (one percent) of the fair market value of the unit, as determined by a valuer appointed by the company.

61. Application of optional provisions of the Companies Act (audit etc.)

- 61.1 This company elects, in terms of section 34(2) of the Companies Act, to comply voluntarily with the enhanced accountability requirements of Chapter 3 of the Companies Act to the following extent: the financial statements of the company shall be audited once in every financial year.

- 61.2 This company does not elect, in terms of section 118(1)(c)(ii) of the Companies Act, to submit voluntarily to the provisions of Parts B and C of Chapter 5 of the Companies Act or to the Takeover Regulations made in terms of the Companies Act.

62. Accounts

The notice of the annual general meeting shall be accompanied by audited financial statements for the past financial year.

63. Architectural Review Committee

- 63.1 An Architectural Review Committee shall be established and shall adopt the Estate Architectural Guidelines.
- 63.2 The composition of the Architectural Review Committee shall be determined by the Board.
- 63.3 The Architectural Review Committee shall :
- 63.3.1 consider and approve building plans in accordance with the applicable bylaws and the Estate Architectural Guidelines;
 - 63.3.2 determine the position of each building to be built on the Estate, whether on common property or on a unit (the position of a building on a unit shall be determined in consultation with the owner, subject to the condition that the Architectural Review Committee's decision shall prevail in the event of any disagreement);
 - 63.3.3 impose height restrictions on buildings;
 - 63.3.4 approve on an annual basis a list of accredited architects, designers and builders entitled to do work on the Estate (subject to the payment of an annual accreditation fee approved by the finance committee from time to time);
 - 63.3.5 ensure that all landscaping and gardening on the Estate takes place in accordance with the Estate's landscape philosophy including landscape and gardening standards which are published from time to time;

- 63.3.6 ensure that acceptable building standards are maintained throughout the Estate;
- 63.3.7 impose such other rules as may be required to give effect to its powers and duties; and
- 63.3.8 cause minutes to be recorded of all its decisions and cause them to be submitted to the board for noting and recording purposes.
- 63.4 The Architectural Review Committee must approve the accredited architects, designers and builders with a view to ensuring that buildings on the Estate are built to an acceptable standard.
- 63.5 The Architectural Review Committee is entitled to charge a fee for the approval of building plans which shall be payable by the owner submitting building plans for approval. The amount of the fee shall be determined by the board from time to time. The board shall be entitled to impose an increased fee if the Architectural Review Committee is required to consider plans prepared by an architect who is not on the list of accredited architects.
- 63.6 The Architectural Review Committee shall be entitled, from time to time, to recommend to the board additional rules or amendments to the building and/or landscaping code in order to ensure that an acceptable quality of building standards and aesthetics is maintained. Any additional rules or amendments shall be considered by the board and may be adopted as is, amended or rejected. These additional rules or amendments to the building and/or landscaping code will stand until ratified or set aside at the next annual general meeting.
- 63.7 The Estate Architectural Guidelines are subject to whatever building restrictions were imposed by the development tribunal.

64. Building plans and approved builders

- 64.1 Every building plan for a building on the Estate must be prepared, at the owner's expense, by an architect or designer who is accredited by the Architectural Review Committee and who appears on the list of approved architects and designers referred to in clause 63.3.4.
- 64.2 No building operations may be carried out:
- 64.2.1 except in accordance with a plan approved by the Architectural Review Committee;

64.2.2 except by a builder accredited by the Architectural Review Committee and who appears on the list of approved builders referred to in clause 63.3.4; and

64.2.3 unless all statutory regulations have been complied with.

65. Compliance with the Estate Architectural Guidelines

65.1 Subject to the provisions of the Estate Architectural Guidelines, no member or body corporate in whom any common property is vested may, without the written consent of the Architectural Review Committee:

65.1.1 change the colour of the exterior walls of the unit or building concerned, the colour of the exterior of the doors and window frames thereof, or any fixture or fitting excluding door and window handles, locks, knockers and similar ornaments upon the exterior thereof;

65.1.2 replace any appurtenances, including but without limiting the generality of the foregoing, pergolas, blinds shutters, awnings or ornaments upon the exterior walls or surfaces of the building concerned, save only to renew such items as may initially have been so placed upon construction of the unit, with such items of the same nature and of similar appearance;

65.1.3 make any additions or extensions to the unit or buildings or erect any further buildings or structures or fences whether of a temporary or permanent nature upon any land vested in him in the township;

65.1.4 remove any fixtures, fittings, doors, windows or demolish any portion of the exterior of any unit or building;

65.1.5 make any alterations to the approved building or landscaping plan for the unit.

65.2 In the event of the destruction of any unit, and the owner thereof deciding to rebuild such unit, the plans for such rebuilding shall prior to such rebuilding taking place, be likewise submitted to the Architectural Review Committee and the local authority for approval.

66. Powers of the Architectural Review Committee

- 66.1 The Architectural Review Committee may serve notice on any member whose unit is unsightly or injurious to the amenities of the surrounding area or the estate generally, to take such steps as may be specified in the notice to eliminate the unsightly or injurious condition.
- 66.2 If the member fails to take the specified steps within 30 (thirty) days of written notice, the estate manager shall be empowered to take those steps or cause such steps to be taken and the board may recover the cost from the owner.
- 66.3 The Architectural Review Committee must determine the routine maintenance requirements:
- 66.3.1 of the exterior of each and every building within the common property on the Estate and instruct the estate manager to attend to such requirements from time to time;
 - 66.3.2 of all open spaces and roads on the estate, in accordance with the provisions of the Estate Architectural Guidelines; and
 - 66.3.3 of all other ground on the estate not covered by buildings whether held by the company or by members, either individually or in undivided shares.
- 66.4 The board may take such steps as may be required by the Architectural Review Committee to recover the costs from the members.

67. Building on the property

- 67.1 Members must commence construction on their dwelling house or commercial building on the unit:
- 67.1.1 within 9 (nine) years of the date of transfer of the unit from the developer to the first buyer; or
 - 67.1.2 within such extended period as may be determined by the developer from time to time.
- 67.2 Once building on the unit commences, building operations must be continuous (there must be no period during which building is stopped,

except for rainy days, public holidays and builders' holidays) and must complete construction :

67.2.1 within 18 (eighteen) months from the date on which building commenced; or

67.2.2 within such extended period as is determined by the company.

67.3 If the member does not commence construction on the unit within the time period prescribed in clause 67.1, then the developer shall have the right at its election to:

67.3.1 grant the member an extension of time within which to complete the building on the unit against payment by the member of an extension fee equal to 5% (five percent) of the purchase price of the unit for every year of extension that may be granted, such extension fee to be split equally between the Levy Stabilisation Fund and the developer; OR sell the unit by public auction by an auctioneer nominated by the developer in which event the price achieved at the public auction will be used to defray all expenses relating to the sale of the unit, including but not limited to advertising costs, auctioneer's commission and a 5% (five percent) handling fee payable to the developer, with the balance of the purchase price to be paid to the member. The provisions of this clause 67 will be applicable to any person who buys at the auction.

67.3.2 If the member does not complete construction on the unit within the time period prescribed in clause 67.2.1, then the company shall have the right at its election to charge additional levies on the property from the expiration of the 18 month period to the date the member completes construction. The additional levies imposed shall be at the sole discretion of the company.

67.4 The developer is not required to build any buildings on unsold properties.

68. Building fee

68.1 Before commencing construction on a unit, a member must pay a fee to the company as compensation for damage caused to the Estate, including but not limited to any landscaping required to reinstate any portion of the Estate. The amount of the fee will be determined by the board from time to time.

- 68.2 50% (fifty percent) of this fee is non-refundable and will be retained by the company towards the maintenance and upgrading of the services and the common property. The remainder of the fee is refundable subject to inspection on completion of the developed property, provided that no damage has been caused by the member, his or her contractors or sub-contractors to any of the common property during the course of construction.
- 68.3 The Architectural Review Committee is entitled to access the site for the full duration of the construction period and may call on the member to undertake additional landscaping prior to any portion of the fee being refunded to the owner.

69. House rules

- 69.1 The board may, in terms of section 15(3) of the Companies Act, make such house rules as it in its discretion considers appropriate,
- 69.2 Each member, his household, employee, guest and Lessee, must comply with the house rules;
- 69.3 The board may make, and amend, the house rules by -
- 69.3.1 delivering a copy of those rules or any notice of amendment to each member by ordinary mail, telefax or email, provided that a member shall be deemed to have received a copy of the rules if sent to his or her last known email address; and
 - 69.3.2 filing a copy of the rules or any notice of amendment with the Companies and Intellectual Property Commission.
- 69.4 In order to enforce the house rules, the Board may :
- 69.4.1 take or cause to be taken such steps as they may consider necessary to remedy a breach of a house rule, and debit the cost to the member concerned (which amount shall then be deemed to be a debt owing by the member concerned to the company); and/or
 - 69.4.2 impose a system of fines or other penalties; and
 - 69.4.3 take such other action including legal proceedings, as they may deem fit.
- 69.5 A breach of the house rules by a member's household, or his employees, guests, or lessees, shall be deemed to have been committed by the member himself or herself (but, without prejudice to

this principle, the board may in its discretion also take or cause to be taken such steps against the person actually committing the breach).

- 69.6 The board shall appoint a disciplinary committee to hear representations from any member who disputes that he is guilty of a breach of the house rules.
- 69.7 The disciplinary committee shall comprise at least 2 (two) members of the board. The Committee shall appoint the chairperson of the disciplinary committee.
- 69.8 The disciplinary committee shall adjudicate upon the issue at such time and in such manner and according to such procedure [provided that the principles of natural justice shall be observed] as the chairperson may direct.
- 69.9 It shall be the duty of the estate manager, or such other person or body as may be empowered by the Board, to ensure compliance by the members, their employees, guests, lessees, and all other persons within the Estate, with the house rules and to this end, to issue such notices, impose such fines or do such things as may be necessary or requisite.

70. Legal remedies

- 70.1 The rights given to the company in terms of this Memorandum of Incorporation are in addition to, and without prejudice to, any of the rights which the company may have to proceed against a member, either to recover any arrear levies or other monies or to claim specific performance, damages or any recourse in law.
- 70.2 A member shall be liable for, and shall pay, all legal costs, including costs on an attorney and client scale, and collection commission, expenses and all other charges incurred by the company in obtaining the recovery of arrear levies or any other amounts due and owing by a member to the company or in obtaining compliance with the house rules or any provision of this Memorandum of Incorporation.
- 70.3 If the member disputes the legal costs incurred by the company, then the parties agree that the company may refer the bill of legal costs prepared by the attorney to the Fee Assessment Committee of the Law Society for consideration and determination, and the decision of the Fee Assessment Committee shall be final.

71. Use of common property

The company may, in its discretion, permit the members, subject to the provisions of this Memorandum of Incorporation, to use the common property (unless the members resolve otherwise by special resolution). The directors may from time to time and whenever they deem it necessary, limit, restrict, or suspend such use in relation to any part of the common property, subject to reasonable privacy of members being respected at all times.

72. Sport facilities

The use of sport facilities on the estate will be in accordance with the rules and regulations determined by the board from time to time, and subject to such rules and regulations as are imposed by VCC.

73. Developer's rights

The developer shall, when it is no longer the owner of any unit in the Estate, cease to be a member of the company.

74. Operating of businesses on the Estate

No person may operate a business on any unit, other than a commercial erf:

- 74.1 which is not in accordance with the town planning scheme; and
- 74.2 without the board having first granted written consent on such conditions and for such period as they may deem fit.

75. Membership of VCC

- 75.1 Every member is obliged to be member of VCC and to remain a member of VCC for as long he is a member of the company.
- 75.2 The category and terms of membership of VCC shall be subject to VCC's rules and regulations, as amended from time to time.
- 75.3 If the member is a legal persona, then the member shall elect a natural person as a representative who must either be a shareholder, member or beneficiary of the legal persona.

76. Co-operation with Ezemvelo / KZN Wildlife and VCC

- 76.1 The Estate comprises the integration of three main components, being VCC golf course and golf club, Queen Elizabeth Park nature reserve, and the residential and office park developments, all contained within an outside perimeter security fence but internally accessible to each other. This integration will permit the controlled movement of residents, tenants, golfers, members of the public, staff, contractors, suppliers and other personnel, and wild animals, within areas of various degrees of security protection, and various degrees of conservation significance and environmental value.
- 76.2 All members shall cooperate with Ezemvelo / KZN Wildlife staff and officials, and VCC staff and committee members, in respect of any issue of mutual concern in order to ensure a harmonious and cooperative long-term relationship between all stakeholders occupying the integrated space within the outside perimeter fence, and in order to comply with the various approved and stipulated environmental protection and rehabilitative processes implemented from time to time through the appropriate structures.
- 76.3 The company will enforce these relationships. Failure of members to provide their full co-operation in this regard will result in appropriate disciplinary action.

77. Compliance with Landscaping Policy, Plant Palettes and the Environmental Management Plan

A joint management structure has been established between the company, Ezemvelo / KZN Wildlife and VCC to supervise the implementation and monitoring of a Landscaping Policy, Plant Palette and an Environmental Management Plan which will control various issues relating to the environment, the golf club, and Queen Elizabeth Park in terms of maintenance, protection and rehabilitation. Members must provide their full co-operation with the stakeholders and the joint management structure in the activities outlined herein.

78. Service of notices

- 78.1 All members must notify the company in writing of an address for the services of all legal process, notices and other documents. This

address will operate as each member's *domicilia citandi et executandi*. When notifying the company of an address, each member must provide the following information insofar as it exists:

- 78.1.1 postal address;
- 78.1.2 physical address;
- 78.1.3 email address;
- 78.1.4 telefax number;
- 78.1.5 telephone number; and
- 78.1.6 cell phone number.

78.2 A notice may be served by the company upon any member, either personally, by email, by telefax or by sending it through the post in a prepaid registered letter, addressed to such member at such address as he may have notified the company in writing, save that such address shall be within the boundaries of the Republic of South Africa, or if such member has failed to notify the company in writing of any such address at the address of any unit owned by him.

78.3 A notice will be presumed, unless the contrary is proved, to have been given:

- 78.3.1 if posted by prepaid registered post, 5 days after the date of posting thereof;
- 78.3.2 if hand delivered during business hours on a business day, on the day of delivery;
- 78.3.3 if sent by telefax, on the first business day following the date of sending; and
- 78.3.4 if sent by electronic mail, on the day of sending.

79. Access to the estate

The directors shall take such measures as are necessary to ensure that the general public, with the exception of members, employees, their guests, lessees, and members of their families and such other persons as the Board may reasonably permit, are excluded from the estate.

80. Maintenance of units and open spaces

80.1 Each member must keep his unit in a neat and tidy state and, in particular, must keep undeveloped units free from noxious weeds, with the grass neatly mown.

- 80.2 The maintenance of services and open spaces shall be attended to by the company.
- 80.3 The company may enter into an agreement with any member relating to the maintenance of any unit or open spaces.
- 80.4 For purposes of exercising its function in terms hereof the company's representative, shall be entitled to access to any unit and to the surrounds thereof at all reasonable times.

81. Re-sale of units

If a member intends to re-sell his or her unit, then he must:

- 81.1 register the intention to re-sell the unit with the company;
- 81.2 use only the agreement of re-sale which is approved by and available from the company; and
- 81.3 comply with all rules imposed by the board regarding the sale of properties in the Estate.

82. "For sale" signs

No "For Sale" signs or "Sold" signs shall be erected on units without the written consent of the company.

83. Disclaimer

83.1 The company shall not:

83.1.1 be liable for any injury or death to any person, damage to or loss of any property to whomsoever it may belong, occurring or suffered on the Estate regardless of the cause thereof; or

83.1.2 be responsible for any theft of property occurring on the Estate.

Members shall not, under any circumstances, have any claim or right of action whatsoever against the company for injury, death, damages, loss or otherwise, or be entitled to withhold or defer payment of any amount due by them for any reason whatsoever.

83.2 The company, its directors, employees and agents shall not be liable to any member or any of the member's lessees, or their respective employees, agents, invitees or customers or any member of the public dealing with the member or any lessee for any injury or death or loss or damage of any description which the member or any such other

person aforesaid may suffer or sustain whether directly or indirectly on or about the Estate, regardless of the cause thereof.

84. Environmental Management Plan

The company shall comply with any requirements imposed by the Conditions of Establishment relating to the Environmental Management Plan.

85. Winding up

85.1 No resolution for the winding-up or dissolution of the company and the transfer of the company's assets shall be taken unless:

85.1.1 the company has made adequate provision for the rights of members to obtain access to their units; and

85.1.2 the rights of members to exclusive use of any areas have been safeguarded, if necessary, by registration of servitudes, at the cost of the member concerned if the member so requires.

85.2 If the company is wound up, deregistered or dissolved, the assets of the company remaining after the satisfaction of all its liabilities shall be given or transferred to some other association or institution having objects similar to its main object, to be determined by the members of the company at or before the time of its dissolution or, failing such determination, by the court.

86. Access ways

Notwithstanding that erven and units may be held either individually or in undivided shares by members, members shall be obliged at all times to allow any persons, lawfully on the Estate, access to any erven or unit owned by them, by means of any formed or paved access way, including driveways, parking areas and pathways.

87. Access by the company

Every member shall be obliged to allow the company or its service providers access to any unit outside the confines of the buildings at reasonable times for purposes of carrying out its obligations and exercising its rights in terms of this Memorandum of Incorporation.

88. Delegation

The powers of the committees established in terms of this Memorandum of Incorporation, and the powers of the board, and the powers of the company

generally may be delegated to the estate manager to such extent and upon such conditions as the directors may determine from time to time, and such delegations may from time to time be revoked either in whole or in part or the conditions of such delegations may be changed as the directors may from time to time deem fit.

89. Development period

- 89.1 The development period ended on 3 March 2015.
- 89.2 In terms of a handover agreement concluded between the developer and the company, the company released the developer from the following obligations and waived its right to claim any contribution from the developer of a capital or maintenance nature:
 - 89.2.1 the further development of the Estate, or completion of any aspects of the development which it may have undertaken prior to 3 March 2015;
 - 89.2.2 the completion of existing and the construction of further golf cart paths or access roads anywhere on the Estate;
 - 89.2.3 the establishment of any pedestrian walkways in Montrose Park Village or elsewhere on the Estate, or the further improvement of existing pedestrian walkways;
 - 89.2.4 the installation of secure pedestrian gates in the security fence between Cascades Village and Queen Elizabeth Park;
 - 89.2.5 the further upgrading of, modifications to or relocation of any security infrastructure, systems or equipment, or of any entrances to the Estate or VCC; and
 - 89.2.6 the finalisation of any storm water management requirements on the VCC golf course to manage storm water run-off which impacts on members' properties.
