

**THE COMPANIES ACT, NO. 71 OF 2008
(AS AMENDED)**

MEMORANDUM OF INCORPORATION

OF

CASTLEBURN HOMEOWNERS ASSOCIATION NPC

Registration Number – 2007/025284/08

("the Company")

This MOI was adopted by Special Resolution passed on 8 May 2018, a copy of which was Filed together with a notice of amendment ("**Notice of Amendment**") in substitution for the MOI and the MOI of the Company (which were the constitutional documents of the Company in terms of the previous Companies Act No. 61 of 1973). This MOI takes effect (in terms of section 16(9)(b)(i)) on the Date of Filing Hereof (as defined in clause 1.8 hereof).

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1. INTERPRETATION

In this Memorandum of Incorporation –

- 1.1 clause headings are for convenience purposes only and shall not be used in its interpretation;
- 1.2 unless the context clearly indicates a contrary intention, the following expressions shall have the following meanings and related expressions shall have corresponding meanings –
 - 1.2.1 **"Business Day"** means a day on which banks are open for business in the Republic of South Africa ;
 - 1.2.2 **"Chalet"** means an Improvement which has been or is entitled to be erected on the Land and is utilised or is to be utilised for residential purposes by a Member or Members and includes Dwelling Units, a unit as defined in the Sectional Titles Act No. 95 of 1986 which is erected and forms part of a Sectional Title Scheme on the Land and any units or other buildings erected for residential purposes in a Share Block Scheme on the freehold Land;
 - 1.2.3 **"Commercial enterprise"** means any business which is conducted from the Improvements or any portion thereof on the Land such as, but not limited to, hotels, restaurants or convenience stores of which the Company has approved of and consented to in writing;
 - 1.2.4 **"Commission"** means the Company and Intellectual Property Commission established by section 185;
 - 1.2.5 **"Common area"** means any area of the Land in respect of which no Member (and in the case of the Share Block Member this is deemed to include each of its Members), has an exclusive right to use;
 - 1.2.6 **"the Companies Act"** means Companies Act 71 of 2008, as amended;
 - 1.2.7 **"Designated Date"** means the date upon which this MOI is filed at the Commission;
 - 1.2.8 **"the Developer"** means Brookes Hill Suites Proprietary Limited (1991/006394/07) and MagicBreakaways Leisure Developments Proprietary Limited (1982/0004123/07);
 - 1.2.9 **"the Development period"** means the period from the incorporation of the Company until the Developer determines that the development of the Land has been completed;
 - 1.2.10 **"Dwelling Unit"** means the chalet erected, or to be erected, on the Land which is either a sectional title ownership chalet, syndicated

ownership chalet, time-share chalet (as defined in the MOI of the Share Block Company) or a staff accommodation unit;

- 1.2.11 **"the Sectional Title Developer"** means Brookes Hill Suites Proprietary Limited;
- 1.2.12 **"the Share Block Developer"** means Magicbreakaways Leisure Developments Proprietary Limited;
- 1.2.13 **"House Rules and Regulations"** means the House Rules and Regulations referred to in clause 30 of this MOI;
- 1.2.14 **"Improvement"** means any improvement/s of a permanent nature erected, or alternatively to be erected, on the Land, to be used for any purpose whatsoever;
- 1.2.15 **"the Land"** means -
- 1.2.15.1 the land or any portion thereof on which and in respect of which has been established a Share Block and timesharing Scheme commonly known as Castleburn; and
- 1.2.15.2 Any adjacent land or portion thereof on which a resort or other development (including a Sectional Title Scheme, Freehold Title Scheme or Share Block development) is established and with which the Company has contracted to co-operate;
- 1.2.16 **"Members"** means the persons referred to in Clause 10.1 as read with clauses 10.2 to 10.7;
- 1.2.17 **"MOI"** means this Memorandum of Incorporation and any annexures and schedules hereto;
- 1.2.18 **"Register"** means the register of Members kept in terms of the statutes;
- 1.2.19 **"Regulation"** means the regulation(s) promulgated in accordance with section 223 of the Companies Act;
- 1.2.20 **"the Republic"** means the Republic of South Africa;
- 1.2.21 **"the Scheme"** means the various Share Block, Sectional Title Schemes and Freehold Title developments established or to be established on and operated or to be operated in respect of the Land;
- 1.2.22 **"Sectional Titles Act"** means the Sectional Titles Act No. 95 of 1986;
- 1.2.23 **"Sectional Title Scheme"** means a Scheme as defined in the Sectional Titles Act;

- 1.2.24 **"the Share Block Company"** means Castleburn Share Block Limited;
- 1.2.25 **"Share Block Scheme"** means a Scheme as defined in the Share Blocks Control Act No.59 of 1980;
- 1.2.26 **"The Management Act"** means the Sectional Titles Schemes Management Act no 8. of 2011;
- 1.2.27 **"the Statutes"** means the Companies Act, the Share Blocks Control Act No. 59 of 1980, the Sectional Titles Act and the Property Time-Sharing Control Act No. 75 of 1983 and any and every other statute or ordinance from time to time in force concerning companies and the Scheme, or any part thereof, and necessarily affecting the Company;
- 1.2.28 **"Freehold Title Scheme"** means portion c of sub 1 of the farm Rosslinn No. 15593 land on which exists two single residential dwelling units and farm buildings.
- 1.3 a reference to a section by number refers to the corresponding section of the Companies Act on the Designated Date, notwithstanding the renumbering of such section after the Designated Date;
- 1.4 the term "section" means a section of the Companies Act;
- 1.5 the term "clause" means a clause or sub-clause to this MOI;
- 1.6 the term "regulation" means a regulation of the Regulations;
- 1.7 "holding company" and "subsidiary" shall have the same meaning as assigned to them in the Companies Act;
- 1.8 any reference in this MOI to **"Date of Filing Hereof"** shall be read as meaning a reference to the date on which the Notice of Amendment substituting the MOI and MOI of the Company (which were the constitutional documents of the Company in terms of the Companies Act No. 61 of 1973) with this MOI is filed with the Commission;
- 1.9 words and expressions that are defined in the Companies Act and which are not defined herein shall have the same meaning assigned to them in the Companies Act;
- 1.10 a reference to a regulation by number refers to the corresponding regulation of the Regulations on the Designated Date, notwithstanding the renumbering of such regulation after the Designated Date;
- 1.11 in any instance where there is a conflict between a provision (be it expressed, implied or tacit) of this MOI and –
 - 1.11.1 an alterable or elective provision of the Companies Act, the provision of this MOI shall prevail to the extent of the conflict; and
 - 1.11.2 an unalterable or non-elective provision of the Companies Act, the unalterable or non-elective provision of the Companies Act shall

prevail to the extent of the conflict unless the MOI imposes on the Company a higher standard, greater restriction, longer period of time or similarly more onerous requirement, in which event the relevant provision of this MOI shall prevail to the extent of the conflict;

- 1.12 if the due date for performance of any obligation in terms of this MOI is a day which is not a business day, the due date for performance of the relevant obligation shall (unless otherwise stipulated) be the immediately succeeding business day;
- 1.13 when any number of days is prescribed, such number shall exclude the first and include the last day, unless the last day falls on a day other than a business day, in which case the last day shall be the next succeeding business day;
- 1.14 any schedule or annexure to this MOI shall form part of and be deemed to be incorporated in this MOI;
- 1.15 any reference to days, months or years shall be to calendar days, months or years, as the case may be;
- 1.16 the use of the word "including" or "includes" followed by a specific example/s shall not be construed as limiting the meaning of the general wording preceding it and the *eiusdem generis* rule shall not be applied in the interpretation of such general wording or such specific example/s.
- 1.17 reference to Members represented by proxy shall include Members represented by an agent appointed under a general or special power of attorney and reference to Members present or acting in person shall include corporations represented or acting in the manner prescribed in the statutes;
- 1.18 expressions defined in the Companies Act, or any statutory modification thereof, in force at the date on which this MOI become binding on the Company shall, if not clearly inconsistent with the subject or context, have the meanings so defined;
- 1.19 words in the singular number shall include the plural and words in the plural number shall include the singular, words importing the masculine gender shall include females and words importing persons shall include bodies corporate.

2. NAME

The name of the Company is CASTLEBURN HOMEOWNERS ASSOCIATION NPC.

3. JURISTIC PERSONALITY

The Company is a pre-existing company as defined in the Companies Act and, as such, continues to exist as a company as if it had been incorporated and registered in terms of the Companies Act, as contemplated in item 2 of the Fifth Schedule to the Companies Act, and this MOI replaces and supersedes the memorandum and

articles of association of the Company applicable immediately prior to the Designated Date.

4. INCORPORATION

The Company is incorporated in accordance with and governed by –

- 4.1 the unalterable provisions of the Companies Act subject only to such higher standards, greater restrictions, longer periods of time or similarly more onerous requirements as may be imposed on the Company by this MOI in relation to such unalterable provisions; and
- 4.2 the alterable provisions of the Companies Act, subject to the limitation, extensions, variations or substitutions set out in this MOI; and
- 4.3 the provisions of this MOI; and
- 4.4 its rules, if any.

5. NON-PROFIT COMPANY PROVISIONS

The Company is a non-profit company as defined in section 8(1) of the Companies Act read together with sections 10(1), 10(2) and Schedule 1 of the Companies Act.

6. POWERS OF THE COMPANY

- 6.1 The Company is not subject to the provisions contemplated in section 15(2)(b) or (c).
- 6.2 The purposes and powers of the Company are not subject to any restrictions, limitation or qualification contemplated in section 19(1)(b)(ii).

7. MOI AND COMPANY RULES

- 7.1 This MOI may be altered or amended in the manner set out in sections 16, 17 or 152(6)(b), subject to the provisions contemplated in section 16(1)(c). For the avoidance of any doubt it is recorded that the MOI may not be altered or amended by the board unless such alteration or amendment is approved by special resolution.
- 7.2 The authority of the board to make rules for the Company, as contemplated in section 15(3) to (5) is not limited or restricted in any manner by this MOI save as provided for in clause 30.
- 7.3 The board must publish any rules made in terms of section 15(3), read with section 15(4) and section 15(5) and any notice of alteration to the MOI or rules of the Company in terms of section 17(1) by delivering a copy of those rules and/or the alteration to the MOI and/or the altered MOI to each shareholder by hand or by ordinary mail or by fax to the fax number nominated by each shareholder or by e-mail to the e-mail address nominated by each such shareholder.

- 7.4 The rules, if any, made by the board shall take effect and become binding in the manner contemplated in section 15(4).
- 7.5 The board may alter the rules, in any manner necessary to correct a patent error in spelling, punctuation, reference, grammar or similar defect on the face of the document by –
- 7.5.1 publishing a notice of any alteration made by delivering a copy of such amendments to each Shareholder by ordinary mail; and
- 7.5.2 filing a notice of the alteration.

8. APPLICATION OF OPTIONAL PROVISIONS OF THE ACT

- 8.1 The Company does not elect, in terms of section 34(2), to comply voluntarily with the provisions of Chapter 3 of the Act.
- 8.2 The Company does not elect, in terms of section 118(1)(c)(ii), to submit voluntarily to the provisions of Parts B and C of Chapter 5 of Act, and to the Takeover Regulations provided for in that Act.

9. MAIN OBJECT AND BUSINESS

- 9.1 The main object of the Company is to promote, advance and protect the communal interest of the Members of the Company and in so doing manage, administer, control, maintain and regulate the use and enjoyment for the benefit of its Members of -
- 9.1.1 The Land or any portion thereof on which and in respect of which has been established a Share Block and Timesharing Scheme (as defined in the Property Time-Sharing Control Act No. 75 of 1983), pursuant to a Share Block Scheme (as defined in the Share Blocks Control Act, No. 59 of 1980) and a Scheme as defined in the Sectional Titles Act No. 95 of 1986; and
- 9.1.2 any adjacent land or portion thereof on which a resort or other development (including a Sectional Title Scheme, Freehold Title Scheme or Share Block development) is established and with which the Company has contracted to co-operate;
- (jointly referred to in this MOI as "the land")
- 9.2 make all reasonable attempts and take all reasonable steps on a collective basis to -
- 9.2.1 procure essential services, facilities, and various other services for the use of the Company and its Members on the Land;
- 9.2.2 represent the collective views of its Members to related bodies, public authorities and other interested organisations and persons; and
- 9.2.3 arrange for the maintenance and repair of the Land and the facilities and services referred to above.

- 9.3 In pursuance of the main object of the Company -
- 9.3.1 the income and property of the Company from wherever derived, shall be applied solely towards the promotion of its main object and no portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise howsoever, to the Members of the Company or to its holding company or subsidiary. Provided that nothing herein contained shall prevent the payment in good faith of remuneration to any officer or servant of the Company or to any Member thereof in return for any services actually rendered to the Company;
 - 9.3.2 upon its winding-up, deregistration or dissolution, the assets of the Company remaining after the satisfaction of all its liabilities shall be given or transferred to one or more non-profit companies, registered external non-profit companies, voluntary association or non-profit trusts 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;
 - 9.3.3 the Company shall be entitled to bind its Members to contribute by way of subscriptions, service fees and/or levies towards the funds of the Company and to enforce payment of and to collect and receive from Members such subscriptions, service fees and/or levies;
 - 9.3.4 the Company shall be entitled to enforce compliance with its MOI in such manner as it may deem fit and in particular by means of a system of fines or such other penalties as it may see fit to prescribe;
- 9.4 In addition to 9.1 and 9.2, the Company shall perform the function entrusted to a body corporate established in respect of the Castleburn Sectional Title Schemes on the land by, under or in terms of Sections 3 to 5 of the Management Act and any applicable regulations.

10. MEMBERS

- 10.1 Membership of the Company shall be limited to -
- 10.1.1 the Sectional Title Developer, in its capacity as such, and during the Development Period only;
 - 10.1.2 the Share Block Developer in its capacity as such;
 - 10.1.3 the Share Block Company;
 - 10.1.4 any other person who is in terms of the Deeds Registries Act (and where applicable the Sectional Titles Act), reflected in the records of the Deeds Office concerned as the registered owner of the Land or any portion thereof, including a unit as defined in the said Sectional Titles Act and an erf in a Freehold Title Scheme on the Land or any portion thereof; and

- 10.1.5 the operator of any Commercial Enterprise during the period that that operator is validly and legally operating the Commercial Enterprise in question.
- 10.2 No person other than a person referred to clause 10.1 shall be entitled to be a Member of the Company.
- 10.3 Where two or more persons are registered as the owners of any portion of the Land, all the registered owners of that portion shall be deemed to be one Member of the Company and the co-owners concerned shall elect one of their number as the "liaison officer" for the portion of Land concerned, and shall notify the Company of the name and address of such liaison officer. Any notices which may be required to be given in respect of such Member shall be given to the liaison officer and once served upon such liaison officer shall be deemed for the purposes of this MOI to have been served upon the Member. In the event of the co-owners failing to elect a liaison officer as aforesaid, the Company may serve notice upon any one of the co-owners who shall then be deemed to be the Liaison officer and such service shall be deemed to be service upon all the co-owners.
- 10.4 When a Member ceases to be the registered owner of the Land or any portion thereof or ceases to validly and/or legally operate a Commercial Enterprise from the Improvements or any portion thereof, he shall ipso facto cease to be a Member of the Company.
- 10.5 A Member shall not sell or in any manner alienate the Land unless it is a condition of the agreement of alienation that -
- 10.5.1 the proposed transferee has bound himself in writing to the satisfaction of the Company, as a contract for the benefit of the Company, to become a Member of the Company upon transfer of such portion of the Land to him;
- 10.5.2 the registration of transfer of such portion of the Land to the transferee shall ipso facto constitute the transferee as a Member of the Company;
- and this undertaking is a stipulation in favour of each and every Member and in the event of a breach or threatened breach thereof shall entitle each and every Member, jointly and severally, without prejudice to any other rights that each Member may have, to the remedy of an interdict against the defaulting Member.
- The provisions of this clause shall apply mutatis mutandis to any alienation of an undivided share in the Land.
- 10.6 A Member, other than the Developer or Member who is an operator of a Commercial Enterprise may not resign as a Member of the Company.
- 10.7 No Member shall let or otherwise part with occupation of the Land whether temporarily or otherwise unless he has agreed with the proposed occupier as a stipulatio alteri in favour of the Company that such occupier shall be bound by all the terms and conditions of this MOI and the House Rules and Regulations.

- 10.8 The rights and obligations of a Member shall not be transferable and every Member shall -
- 10.8.1 further, to the best of his ability, the objects and interests of the Company;
 - 10.8.2 observe the House Rules and Regulations.
- 10.9 The Company shall keep a register of Members at the place and in the manner specified in the Companies Act.
- 10.10 There shall be only one class of members, being voting Members, consisting of the following persons –
- 10.10.1 the Sectional Title Developer
 - 10.10.2 the Share Block Developer;
 - 10.10.3 the Share Block Company ("the Share Block Member");
 - 10.10.4 Member/s who are reflected in the records of the Deeds Office as the registered owner/s of a unit in a Sectional Title Scheme ("the Sectional Title Members");
 - 10.10.5 Member/s who are reflected in the records of the Deeds Office as the registered owner/s of an erf in a Freehold Title Scheme ("the Freehold Title Members");
 - 10.10.6 Member/s who validly and legally operate/s a Commercial Enterprise, during the period in which they so operate the Commercial Enterprise in question ("the Commercial Enterprise Members").

11. SERVICE FEE

- 11.1 The directors shall establish a fund sufficient for, inter alia, the repair, upkeep, control, management and administration of the common areas (including reasonable provision for future maintenance and repairs), the payment of rates and taxes and other local authority charges for the supply of electric current, gas, water, fuel and sanitary and other services to the Improvements and Land, any premiums of insurance and for the discharge of all and any duty or fulfilment of all and any other obligation of the Company of whatsoever nature attributable to the proper management, control and administration of the Scheme and the Company.
- 11.2 Before every annual general meeting, the directors shall cause to be prepared an itemised estimate of the anticipated income and expenses of the Company during the ensuing financial year, which estimate shall be laid before the annual general meeting for consideration. The estimate of expenses shall include reasonable provision for contingencies.
- 11.3 The Directors shall in their sole discretion be entitled and obliged to apportion the costs which make up the service fee into three categories so that there is one category for each class of Members referred to in clause

- 11.3.1. In apportioning the costs which make up the service fee the directors shall have due regard to the type and size of Improvement, the use to which such Improvement has been or is to be put, the number of people such Improvement accommodates and so forth and shall furthermore attempt insofar as is reasonably possible to -
- 11.3.1 allocate costs which directly relate to the maintenance and running of the Share Block Scheme, Sectional Title Scheme/s and Freehold Title Scheme/s and which may be directly attributable to that Scheme, to the relevant class of Members; and
 - 11.3.2 allocate costs which generally comprise common costs such as the cost of maintaining the corporate existence of the Company, the maintenance of the golf course and all other communal facilities and any other costs which cannot be allocated directly to any of the three Members referred to in clause 11.3.1 above, to all of those Members in such proportions as the directors may determine from time to time.
- 11.4 Once the directors have determined the amounts of the service fee to be raised in respect of each class of Members as aforesaid, they shall raise the amounts so determined by levying contributions on each of the Members in each class of Members referred to in clause 11.3, provided that -
- 11.4.1 Sectional Title Members shall be obliged to contribute to the costs which made up the service fee which the directors have apportioned to the class of Sectional Title Members in proportion to the participation quotas of their respective sections; and
 - 11.4.2 the Freehold Title Members, shall be obliged to contribute to the costs which make up the service fee which the directors have apportioned to the class of Freehold Title erfs, in the proportion that the area of each such Member's erf in the Freehold Title Scheme bears to the total area of Freehold Title in the Freehold Title Scheme.
- 11.5 The directors shall as soon as possible after the imposition of the service fee in terms of clause 11.4, advise each Member in writing of the service fee amount payable by him. Such amount shall be payable as the directors may from time to time determine.
- 11.6 The Directors may from time to time make special service fees upon the Members or call upon them to make special contributions in respect of all such expenses as are mentioned in clause 11.2 above (which are not included in any estimates made in terms of clause 11.3) and such service fees and contributions may be made payable in one sum or by such instalments (with or without interest and if with interest at such rate as may be determined by the directors) and at such time or times as the directors shall think fit.
- 11.7 Interest shall be payable on all arrear service fees at such rate as may from time to time be determined by the directors.
- 11.8 Any amount due by a Member by way of a service fee or interest thereon shall be a debt due by him to the Company.

- 11.9 The obligation by a Member to pay service fees shall cease upon his ceasing to be a Member, without prejudice to the Company's right to recover arrear service fees and/or interest thereon.
- 11.10 No service fee or interest paid by a Member shall under any circumstances be repayable by the Company upon his ceasing to be a Member.
- 11.11 A Member's successor-in-title to any portion of the Land shall be liable, with effect from the date upon which he becomes a Member, to pay the service fee attributable to that portion.
- 11.12 A Member shall be liable for and pay all legal costs, including costs as between an attorney and his own client, collection commission, and all other expenses and charges incurred by the Company in obtaining the recovery of arrear service fees or any other arrear amounts due and owing by such Member to the Company.
- 11.13 No Member shall be entitled to any of the privileges of Membership, including the rights to vote and the rights of a Member to access to the Land and the use of the Improvements, unless and until he shall have paid every service fee and interest thereon, and any other sum, if any, which may be due and payable by that Member to the Company, from whatsoever cause arising.
- 11.14 Notwithstanding anything contained herein where an expense is incurred by the Company that relates to major repairs of any thatch roof or the replacement of any thatch roof of any Improvement, the Directors shall be entitled to determine that this expense falls outside of the ambit of the service fee provided for in 11.1 and to allocate this expense directly to the registered owner of the Improvement which requires such major repair or replacement.
- 11.15 Maintenance and replacement of all exclusive use areas are not included in the service fee. These costs are for that Members personal account.

12. AESTHETICS

- 12.1 Provided that the Developer develops in accordance with the statutes and other documentation and agreements relating to the Scheme, it may, during the development period, continue to erect Improvements, including Dwelling Units, and other facilities and infrastructure on the Land.
- 12.2 In addition to the laws, rules and regulations laid down in the statutes, House Rules and Regulations and any other agreement or document governing the Members' rights to use the Land or Improvements, it is specifically recorded that no Member, other than the Developer, may, without the prior written approval of the Company, erect on any portion of the Land -
- 12.2.1 any paving; or
- 12.2.2 any building or structure of whatsoever nature, whether of a temporary or permanent nature.

13. RESTRICTION ON TRANSFER OF PORTIONS OF THE LAND

- 13.1 No Member shall transfer any portion of the Land unless -
- 13.1.1 the Company, under the hand of the Chairman, has certified in writing that the Member has fulfilled all his financial obligations to the Company in respect of the period up to and including the date specified in such certificate; and
 - 13.1.2 the transfer takes place prior to or on that specified date.
- 13.2 The Company may claim from any Member or his estate any arrears of levy or interest or other amount due by him to the Company at the time of his ceasing to be a Member.

14. MEETING OF MEMBERS

- 14.1 The Company, at such times as are in the statutes prescribed, shall hold general meetings of Members to be known and described in the notices calling such meetings as annual general meetings.
- 14.2 The directors may, whenever they think fit, convene a general meeting, and a general meeting shall also be convened on a requisition by Members representing not less than one-tenth of the total voting rights of all Members of the Company having at the date of the lodgement of the requisition a right to vote at general meetings of the Company or, in default, may be convened by the requisitionists as provided by and subject to the provisions of the statutes. If at any time there shall not be within the Republic sufficient directors capable of acting to form a quorum, any director or any two Members of the Company may convene a general meeting in the same manner as nearly as possible as that in which meetings may be convened by the directors.
- 14.3 Every meeting of the Member shall, unless otherwise resolved by the directors, be held in the city or town in which the Company's registered office is for the time being situated.
- 14.4 Subject to the provisions of the statutes relating to meetings of which special notice is required to be given, an annual general meeting shall be called by 15 [fifteen] days' notice in writing at the least. The notice shall be exclusive of the day on which it is serviced or deemed to be serviced and of the day for which it is given and shall specify the place, the day and the hour of meeting and, in the case of special business, the general nature of that business, and shall be given, in a manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company at a meeting of Members, to such persons as are, under this MOI, entitled to receive such notices from the Company: provided that a meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in this Clause, be deemed to have been duly called if it is so agreed by all the Members having a right to attend and vote at the meeting. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings of that meeting.

15. PROCEEDINGS AT MEETINGS OF MEMBERS

- 15.1 Business may be transacted at any meeting of Members only while a quorum is present.
- 15.2 A quorum at a meeting of Members shall be consist of one representative of each of the following, present in person or by proxy and entitled to vote -
 - 15.2.1 the Developer;
 - 15.2.2 the Share Block Members;
 - 15.2.3 the Sectional Title Members; and
 - 15.2.4 the Freehold Title Member.
- 15.3 If within thirty minutes from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved, in any other case it shall stand adjourned to the same day in the next week, at the same time and place or, if that day be a public holiday, to the next succeeding day other than a public holiday, and if at such adjourned meeting a quorum is not present within thirty minutes from the time appointed for the meeting then, subject to the statutes, the Members or Member present shall be a quorum.
- 15.4 The chairman, if any, of the board of directors shall preside as chairman at every meeting of Members of the Company. If there is no such chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairman, the Members present shall choose some director or, if no director be present, or, if all the directors present decline to take the chair, they shall choose some Member present to be chairman of the meeting.
- 15.5 The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned as a result of a direction given in terms of any applicable provision in the statutes, notice of the adjourned meeting shall be given in the manner prescribed by such provision but, save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- 15.6 At any meeting of Members a resolution put to the vote of the meeting shall be decided on a show of hands, unless before or on the declaration of the result of the show of hands a poll is so demanded by any person entitled to vote at the meeting and, unless a poll is so demanded, a declaration by the chairman that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, such resolution. No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not

disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.

- 15.7 If a poll is duly demanded it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. Scrutineers shall be elected to declare the result of the poll, and their decision, which shall be given by the chairman of the meeting, shall be deemed to be the resolution of the meeting at which the poll is demanded.
- 15.8 In the case of an equality of votes, whether on a show of hands or on a poll by ballot, the chairman of the meeting at which the show of hands takes place, or at which the poll by ballot is demanded, shall be entitled to a second or casting vote.

16. VOTES OF MEMBERS

- 16.1 At any meeting of the Company -
- 16.1.1 each Sectional Title Member shall be entitled to 52 votes;
 - 16.1.2 the Sectional Title Developer shall be entitled to 52 votes in respect of each undeveloped Sectional Title Unit;
 - 16.1.3 the Share block Developer shall be entitled to 52 votes in respect of each undeveloped Share Block Unit
 - 16.1.4 the Share Block Member shall be entitled to 52 votes in respect of each completed Dwelling Unit forming part of the Share Block Scheme;
 - 16.1.5 each Freehold Title Member shall be entitled to 52 votes.
 - 16.1.6 A Commercial Enterprise member shall be entitled to 52 votes
- 16.2 A proxy need not be a Member of the Company.
- 16.3 The form appointing a proxy shall be in writing under the hand of the appointer or of his agent duly authorised in writing or, if the appointer is a corporate body, under the hand of an officer or agent authorised by that body. The holder of a general or special power of attorney given by a shareholder shall be entitled to vote, if duly authorised under that power to attend and take part in the meetings and proceedings of the Company or companies generally, whether or not he be himself a Member of the Company.
- 16.4 The form appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority shall be deposited at the registered office of the Company not less than twenty four hours (or such lessor period at the directors may unanimously determine in relation to any particular meeting) before the time for holding the meeting (including an adjourned meeting) at which the person named in the form proposes to vote, and in default the form of proxy shall

not be treated as valid. No form of proxy shall be valid after the expiration of six months from the date when it was signed, except at an adjourned meeting unless otherwise specifically stated in the proxy itself.

- 16.5 Subject to the provisions of the Companies Act, a form appointing a proxy may be in any usual or common form.

17. DIRECTORS

- 17.1 Unless otherwise determined by a special resolution at a meeting of Members, the number of directors shall be not less than 5 [five] nor more than 9 [nine].
- 17.2 Members shall not be entitled to vote at a general meeting for the election of directors and instead, each of the following Members shall be entitled to nominate and appoint the following numbers of directors -
- 17.2.1 The Sectional Title Developer (for so long as it is a Member of the Company) shall be entitled to appoint one director;
- 17.2.2 The Share Block Developer shall be entitled to appoint two directors;
- 17.2.3 The Share Block Members shall be entitled to appoint two directors;
- 17.2.4 The Sectional Title Members shall be entitled to appoint two directors.
- 17.2.5 The Freehold Title Member shall be entitled to appoint one director.
- 17.2.6 The Commercial Enterprise member shall be entitled to appoint one director.
- 17.3 Directors nominated for appointment in terms of clause 17.2 shall be appointed by the Company on written notice to the Company from a representative of the class of Members.
- 17.4 Directors shall hold office for 2 years from the date of their appointment where after they must retire from the board but will be eligible for immediate re-appointment.
- 17.5 A director need not be a Member of the Company.
- 17.6 Unless otherwise decided by a meeting of Members any casual vacancy occurring in the board of directors may be filled by the directors.
- 17.7 The Company at a meeting of Members or, the directors, shall have power at any time, and from time to time, to appoint any person as a director but so that the total number of directors shall not at any time exceed the maximum number fixed by or in terms of this MOI.

18. REMUNERATION OF DIRECTORS

- 18.1 The remuneration of the directors shall from time to time be determined by the directors, but subject always to the provisions of clause 9.3.1 of the Company's MOI. The directors may also be paid all travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as directors including those of attending and travelling to and from meetings of the directors or any committee of the directors or at any meeting of Members of the Company.
- 18.2 The directors may pay any director who serves on any committee or who devotes special attention to the business of the Company, or otherwise performs services which in the opinion of the directors are outside the scope of the ordinary duties of a director, such extra remuneration as they may determine.

19. ALTERNATE DIRECTORS

- 19.1 Any director shall have the power to nominate another person to act as an alternate director in his place during his absence or inability to act as such director, and on such appointment being made the alternate director shall, in all respects, be subject to the terms and conditions existing with reference to the other directors of the Company. A person may be appointed as alternate to more than one director. Where a person is alternate to more than one director or where an alternate director is a director, he shall have a separate vote, on behalf of each director he is representing in addition to his own vote, if any.
- 19.2 The alternate directors, whilst acting in the place of the directors who appointed them, shall exercise and discharge all the duties and functions of the directors they represent. The appointment of an alternate director shall cease on the happening of any event which, if he were a director, would cause him to cease to hold office in terms of the clauses or if the director who appointed him ceases to be a director, or gives notice to the secretary of the Company that the alternate director representing him shall have ceased to do so. An alternate director shall look to the director who appointed him for his remuneration.

20. BORROWING POWERS OF DIRECTORS

- 20.1 The directors may in their discretion, from time to time, raise or borrow from the Members or other persons any sums of money for the purposes of the Company.
- 20.2 The directors may secure the payment or repayment of any sums of money borrowed or raised in terms of clause 20.1 or the payment of any debt, liability or obligation whatsoever of the Company or of a third party, in such manner and upon such terms and conditions in all respects as they think fit.

21. GENERAL POWERS AND DUTIES OF DIRECTORS

- 21.1 The business of the Company shall be managed by the directors who may exercise all such powers of the Company as are not by the statutes or by

this MOI required to be exercised by the Company at any meeting of the Members, subject nevertheless, to the provisions of this MOI and of the statutes, as may be prescribed by the Company at any such meeting; but no regulation made by the Company at such meeting shall invalidate any prior act of the directors which would have been valid if that regulation had not been made.

- 21.2 The directors may from time to time appoint one or more of their body to the office of managing director for such period and generally on such terms as they may think fit. The appointment of a managing director shall determine ipso facto if he shall cease for any reason to be a director, or if the Company at any meeting of Members shall resolve that his tenure of the office of managing director be determined.
- 21.3 The directors may from time to time entrust to and confer upon a managing director for the time being such of the powers vested in them as they may think fit, and may confer such powers for such time and to be exercised for such objects and upon such terms and with such restrictions as they may think expedient; and they may confer such powers either collaterally or to the exclusion of, and in substitution for, all or any of the powers of the directors, and may from time to time revoke or vary all or any of such powers.
- 21.4 The directors shall have the power from time to time to delegate to any one of their body or to any other person, whether in the Republic or not, such of the powers as are vested in the directors pursuant to the statutes or under this MOI, as they may deem fit.
- 21.5 The directors may delegate any of their powers to committees consisting of such Member or Members of their body as they think fit; any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the directors. Save as aforesaid, the meetings and proceedings of a committee consisting of more than one Member shall be governed by the provisions of this MOI regulating the meetings and proceedings of directors.
- 21.6 The directors shall be entitled to undertake on behalf of the Company any works or take any steps which the Company is empowered to undertake or take in terms of this MOI, provided that such undertakings or steps do not conflict with the rights of the Developer to develop the Land during the development period.

22. DISQUALIFICATION AND PRIVILEGES OF DIRECTORS

- 22.1 A director shall cease to hold office as such if -
- 22.1.1 he ceases to be a director by virtue of any of the provisions of the statutes or becomes prohibited from being a director by reason of any order made under the statutes; or
- 22.1.2 his estate is sequestrated or he files a petition for the surrender of his estate or an application for an administration order, or if he commits an act of insolvency as defined in the insolvency law for the time being in force, or if he makes any arrangement or composition with his creditors generally; or

- 22.1.3 he is found lunatic or becomes of unsound mind; or
 - 22.1.4 he is removed by a resolution of the Company as provided in the statutes; or
 - 22.1.5 he resigns his office by notice in writing to the Company; or
 - 22.1.6 a notice removing him from office is signed by Members having a right to attend and vote at a meeting of Members who hold more than 75 percent of the total voting rights of all Members who are at that time entitled so to attend and vote and is delivered to the Company or lodged at its registered office; or
 - 22.1.7 his appointment is revoked in writing by the Members who appointed him; or
 - 22.1.8 he is removed from office in accordance with any provisions of this MOI.
- 22.2 No director or intending director shall be disqualified by his office from contracting with the Company in any manner whatsoever.
- 22.3 Such director shall be entitled to vote at any board meeting or otherwise in relation to such contract as freely as if he were not interested therein and he shall be reckoned for the purpose of constituting a quorum of directors.

23. PROCEEDINGS OF DIRECTORS

- 23.1 A director may, and the secretary on the requisition of a director shall, at any time summon a meeting of the directors.
- 23.2 The directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.
- 23.3 Unless otherwise resolved by the directors, all their meetings shall be held in the city or town where the Company's registered office is for the time being situated.
- 23.4 Questions arising at any meeting shall be decided by a majority of votes.
- 23.5 The chairman shall have a second or casting vote in the case of an equality of votes.
- 23.6 The directors may determine what period of notice shall be given of meetings of directors and may determine the means of giving such notice. It shall not be necessary to give notice of a meeting of directors to any director for the time being absent from the Republic, but notice of any such meeting shall be given to his alternate, if he has appointed one, provided that such alternate is in the Republic.
- 23.7 Unless otherwise determined by the directors, a quorum shall consist of three directors, of which one must be a Developer appointee, one must be a Sectional Title Members appointee and the other must be a Share Block Members appointee. For the purpose hereof a director who has authorised

another director to vote for him at a meeting in terms of Clause 23.10 shall, if the director so authorised is present at the meeting, be deemed to be present himself and each director whose alternate is present at a meeting (even if the latter is alternate to more than one director) shall be deemed to be so present.

- 23.8 The continuing directors (or sole continuing director) may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to this MOI as a quorum, the continuing directors or director may act only for the purpose of summoning a general meeting of the Company. If there are no directors or director able and willing to act, and no specific provision is made in this MOI of the appointment of directors, then any two Members may summon a general meeting for the purpose of appointing directors.
- 23.9 Subject to the statutes, and provided all directors receive notice of the matters to be decided, a resolution in writing signed by all the directors for the time being present in the Republic and being not less than are sufficient to form a quorum shall be as valid and effectual as if it had been passed at a meeting of the directors duly called and constituted: provided that where a director is not present in the Republic, but has an alternate who is, the resolution may be signed by that alternate. The resolution may consist of several documents, each signed by one or more directors or their alternates in terms of this Clause.
- 23.10 A director unable to attend a directors' meeting may authorise any other director to vote for him at that meeting, and in that event the director so authorised shall have a vote for each director by whom he is so authorised in addition to his own vote. If both the director so authorised and an alternate of the director who granted the authority are present at the meeting, the alternate shall not be entitled to vote on behalf of the absent director. Authority in terms of this Clause must be in writing (which may take the form of a telefax or email) and must be handed to the person presiding at the meeting at which it is to be used.
- 23.11 The Developer (for so long as it is a Member of the Company) may elect the Chairman of the meetings and determine the period for which he is to hold office; but if no such Chairman is elected, or if at any meeting the Chairman is not present within fifteen minutes after the time appointed for holding it, the directors present may choose one of their number to be Chairman of the meeting.

24. VALIDITY OF ACTS OF DIRECTORS AND COMMITTEES

- 24.1 As regards all persons dealing in good faith with the Company, all acts done by any meeting of the directors or of a committee of directors, or by any person acting as a director, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment or continuance in office of any such directors or persons acting as aforesaid, or that they or any of them were disqualified or had ceased to hold office or were not entitled to vote, be as valid as if every such person had been duly appointed or was qualified or had continued to be a director or was entitled to vote, as the case may be.

- 24.2 The authority of the Company to advance expenses to a director, or indemnify a director, in respect of the defence of legal proceedings, as set out in section 78(4) is not limited or restricted by this MOI.
- 24.3 The authority of the Company to indemnify a director in respect of liability, as set out in section 78(5) is not limited or restricted by this MOI.
- 24.4 The authority of the Company to purchase insurance to protect the Company, or a director, as set out in section 78(7) is not limited or restricted by this MOI.

25. RESERVES

The directors may set aside out of the income of the Company and carry to reserve such sums as they think proper. All sums standing to the credit of revenue and general reserve shall at the discretion of the directors be applicable for meeting contingencies, for the gradual liquidation of any debt or liability of the Company, for repairing, improving or maintaining any property of the Company, for meeting losses on realisation of or writing down investments either individually or in the aggregate, or for any other purpose to which profits of the Company may appropriately be applied. Pending such application such sums may either be employed in the business of the Company (without being kept separate from the other assets of the Company) or be invested. The directors may divide the reserve into such special reserves as they think fit and re-allocate the amounts of such reserves either in whole or in part to other special or general reserves and may consolidate into one reserve any special reserves or any parts of any special reserves into which the reserve may have been divided. The directors may also carry forward any profits without placing them to reserve.

26. NOTICES

- 26.1 A notice by the Company to any Member shall be regarded as validly given if it is either delivered in accordance with applicable provisions of Annexure 3 (Table CR3) of the Regulations.
- 26.2 Each Member shall be bound by every notice given in terms of clause 26.1. The Company shall not be bound to enter any person in the register of Members until that person gives the Company an address for entry on the register.
- 26.3 When a given number of days' notice or notice extending over any period is required to be given, the day of service shall not be counted in such number of days or period.

27. INDEMNITY

Every director, manager and officer of the Company and every person (whether an officer of the Company or not) employed by the Company as auditor shall be indemnified out of the funds of the Company against all liability incurred by him as such director, manager, officer or auditor in defending any proceedings, whether civil or criminal, in which judgement is given in his favour, or in which he is acquitted.

28. WINDING-UP

If the Company shall be wound up, the liquidator shall comply with the provisions of clause 9.3.2 of the Company's MOI.

29. AUDITORS

Auditors shall be appointed and their duties regulated in accordance with the Companies Act.

30. HOUSE RULES

30.1 Subject to any restriction imposed or direction given at a general meeting of the Company, the directors may from time to time make house rules and regulations in regard to -

30.1.1 the use by Members and all other occupiers of the Land, including the right to restrict, prohibit or control particular portions or areas of the Land as they in their sole discretion may determine necessary from time to time;

30.1.2 the preservation of the natural environment of the Land;

30.1.3 the use of roads, parking areas, entertainment and recreation areas and all other amenities, facilities, services and common areas on the Land;

30.1.4 the restriction, control or prohibition regarding the keeping of any animal or bringing of any animal onto the Land;

30.1.5 the keeping, storing, parking or the like of movables on the common area of the Land;

30.1.6 the conduct of any persons on the Land;

30.1.7 the regulating of the use of Improvement by Members and/or occupiers of such Improvements.

30.2 The directors are entitled -

30.2.1 to enforce compliance with the House Rules and Regulations by taking any steps they may consider necessary to remedy a breach of the House Rules and Regulations and charging the cost of taking such steps to the Member guilty of such breach, which amount shall then be deemed to be a debt owing by the Member in question to the Company and/or to impose a system of fines and other penalties; and/or

30.2.2 take any other action which the directors in their discretion may deem fit in the circumstances.

ANNEXURE "A"**CASTLEBURN HOMEOWNERS ASSOCIATION NPC****HOUSE RULES AND REGULATIONS****1. INTERPRETATION**

- 1.1 Clause heading are for convenience and shall not be used in the interpretation of the rules and regulations.
- 1.2 Unless the context clearly indicates a contrary intention - any expression denoting any gender includes the other genders, a natural person includes an artificial person; the singular includes the plural, and vice versa.
- 1.3 Unless it appears to the contrary either expressly or by necessary implication, the words and expressions as defined in the MOI of the CASTLEBURN HOMEOWNERS ASSOCIATION NPC shall bear the same meaning in these House Rules and Regulations as in the said MOI. The following expressions bear the meanings assigned to them below and cognate expressions bear corresponding meanings:
- 1.3.1 "Co-ordinating Architect" - the architect appointed from time to time by the developer;
- 1.3.2 "developer approved builder" - builders approved by the developer, a list of which builders can be obtained from the Association, and which list is subject to amendment from time to time, at the discretion of the developer;
- 1.3.3 "open spaces" – the gardens, farmlands, sidewalks, and all natural surrounds and other such areas of the common area of the Land;
- 1.3.4 "vehicle" - means any form of conveyance, whether self-propelled, or drawn by mechanical, animal, or human agency.
- 1.3.5 "The rivers" or "the dams" – the rivers or dams situated on the Land;
- 1.3.6 "Developer" – Brookes Hill Suites (Pty) Ltd
- 1.3.7 "Association – Castleburn Homeowners Association NPC
- 1.3.8 "Company" – Castleburn Share Block Limited
- 1.3.9 "Freehold title member" – member who in accordance with the MOI of the Association and the MOI of the Company has the right to conduct farming and business activities on the freehold property and on the remainder of the land as is presently constituted from the existing buildings.
- 1.3.10 "Remainder of the land" – as defined in the MOI of the Company is the area of land outside of the development areas and recreational land used for low impact farming purposes by the freehold title owner.

2. OBJECTIVE OF THE RULES AND REGULATIONS

- 2.1 The main object of these Rules and Regulations is to cater for the administration and maintenance of the Land in order to ensure that the members enjoy the optimum enjoyment, peace and quiet of the Improvements, the open spaces and the river. Optimum enjoyment can only be ensured by effective administration, management and control. It is, therefore, necessary that a set of rules and regulations be prescribed and adopted by the Association. What follows are the rules and regulations, which have been adopted and which, in terms of the MOI, are binding on all members of the Association and all other occupiers of the Land.
- 2.2 The member his guests and invitees using any part of the Land, Accommodation and Improvements shall do so at their own risk.

3. NEW BUILDINGS AND ALTERATIONS

In this clause 3, the word "member" shall be deemed to include freehold title members, sectional title members, commercial enterprise members, shareholders and members of the share block member. Subject to the MOI of the Association and unless otherwise provided for in the agreement of sale in terms of which members have purchased an interest in a sectional title scheme, and share block scheme which would entitle those members to build a chalet on a part or parts of the Land.

All owners are required to submit building plans for approval to the developer, obtain all the statutory building plan submission approvals, comply with all inspection procedures required by the municipality. Sectional Title members need to obtain the approval of the relevant body corporate for all exterior alterations.

3.1 Architectural Requirements

- 3.1.1 The architectural style of any proposed chalet, will be considered in relation to that of other chalets, as well as the aesthetic appearance and the proposed siting of the proposed chalet and any other factors, as the appointed Co-ordinating Architect, in his sole discretion may deem suitable. It is recorded that all buildings to be constructed on the Land will be in accordance with a central theme to be determined by the Co-ordinating Architect, whose decision shall be final.
- 3.1.2 The perspective views of the proposed chalets must be provided to the Co-ordinating Architect.
- 3.1.3 All external finishes and colours must be shown on the plan. Colour samples may be requested by the Co-ordinating Architect.
- 3.1.4 Awnings, blinds and other items, which do not form part of the basic structure must be clearly shown on the plan and annotated. TV aerials are not allowed to be erected on chalets by members without the permission of the developer.

- 3.1.5 Solar heating panels, if used, should be incorporated into the chalet to form part of the basic structure and should be clearly shown and annotated on the plan.
- 3.1.6 Outbuildings and additions should match the original design and style, both in elevation and material usage.
- 3.1.7 Only developer approved builders may be used.
- 3.1.8 Pool fencing must be clearly shown on plans and must be as unobtrusive as possible.
- 3.1.9 Yard walls and screen walls must compliment the basic materials used in the construction of the chalets. Lean-tos and temporary carports will not be allowed.
- 3.1.10 The views and privacy of surrounding members and their chalets must be considered and shall be taken into account by the appointed Co-ordinating Architect when considering plans for approval.
- 3.1.11 All exposed plumbing and washing lines shall be fully screened from the street elevation, or any other elevation from which it will be visible.
- 3.1.12 No fencing of whatsoever nature shall be permitted without the prior written consent of the directors.
- 3.1.13 Dormer window and thatch details as those that exist within the profile harmony of the presently constructed thatched roofs are acceptable. These are subject, firstly, to the windows maintaining a reasonable symmetry with others in the particular elevation and, secondly, to the dormer's thatching and external appearance fitting appropriately and naturally into the roof without breaking with or protruding from the natural harmony and flow of a thatch roof structure. No dormer detail will be permitted that does not match the original resort style in position, elevation and material.
- 3.1.14 "Skylights" fitted within new and existing thatch roofs are approved subject to them being set into the thatch and parallel with the plane of the roof line with minimal protrusion above the thatch line. For continuity of elevations, appearance and mode of operation, these are to be timber framed top hung with centre pivot as manufactured by Velux unless otherwise approved. Fitting of these skylights is to comply with manufacturer's specifications and the size of each should be proportional to the size of the particular roof plane.
- 3.1.15 Verandah enclosures are approved with the following details. There is to be no change to the stone cladding details on existing verandah columns. It is accepted that, in the case of alterations to existing glen chalets, the verandah floor level can be raised to that of the internal lounge and the side wall enclosures below the lintol will each comprise bronze powder coated framed windows over stone cladded walls and sills at a height to align aesthetically with and match the adjacent existing stone cladded bedroom bay

windows and sills. The main clear opening only of the verandah below the lintol level will be infilled with bronze powder coated and framed open out stacking doors with safety glazing. The enclosed area may be used as a lounge/dining and a seating area only and not as a bedroom.

3.1.16 Internal structural alterations to existing chalets are acceptable where the external elevation and appearance of the chalet remains unchanged.

3.1.17 Paving to the front of units where required and as exists is accepted. In the case of the Glen, paved areas comprising slip resistant tiles on a properly constructed base and in extent limited to the outside return of the bay windows and projecting to the line of the external step down from the verandah to the design plan used on unit no. 313 are accepted and will both address and resolve the practical stormwater disposal issue and provide useful and discreet areas that are easily maintained.

3.2 The construction of all chalets and structures shall commence within 24 months of the member in question entering into an agreement for the purchase of the interest and be completed within a period of 12 months from the date of commencement.

3.3 All chalets and structures shall be properly maintained and shall be kept in a good and sound state of repair and appearance.

4. TRAFFIC, VEHICLES AND ROADS

4.1 No person shall drive any vehicle on any road on the Land at a speed in excess of 15 (fifteen) kilometres per hour, save as hereinafter provided.

4.2 The Association may, if it considers it necessary or desirable so to do, impose a speed limit lower than that referred to in clause 4.1 above on such roads or portions thereof as it may deem fit, either temporarily or permanently.

4.3 No person shall ride or drive any vehicle at any place on the Land, except upon any road or track, specifically designated by the Association as being for vehicular use by means of appropriate signs.

4.4 Pedestrians and animals shall have the right of way at all places and at all times on the Land and vehicles shall be brought to a stop whenever necessary to enable such pedestrians or animals to enjoy such right of way.

4.5 No person shall drive any vehicle at any place on the Land unless he is the holder of a valid current licence which would permit him to drive such vehicle upon a public road within the Republic and furthermore:

4.5.1 No vehicle shall enter or leave the Land at any point except at a designated entrance gate, except in special circumstances, and then only with a consent of or at the direction of the Managing Agent.

4.5.2 All vehicles entering the Land shall stop at the said vehicle entrance security gate house.

- 4.5.3 No vehicle shall enter the Land unless admitted thereto by the guard on duty at the said entrance gate, provided however, that the Association may issue to its members a device enabling such members to operate the vehicle entrance gate themselves, in which event such provision shall not apply.
- 4.5.4 No person shall drive or ride any vehicle on the Land while he is under the influence of alcohol or any drug which may, in any way, affect his ability to control such vehicle.
- 4.5.5 The Association and/or managing agent shall be entitled to specify from time to time the number of vehicles which may be brought onto the Land by each member or person entitled to occupy a chalet and/or parked by that person or his guests, invitees, family members and the like. A member and occupier of a chalet shall be obliged to comply with such directions.
- 4.6 No caravans or boats shall be brought onto the Land, except with the consent of and at a place designated for that purpose by the Association, and provided that the caravan or boat is stored on the land only and not used for accommodation or on the dam respectively.
- 4.7 No person shall drive or ride any jet-ski's or motor bikes on the land unless authorised by the Directors.
- 4.8 No person shall, park or store any vehicle or trailer on the Land, except with the consent of and at a place designated for the purpose by the Association.
- 4.9 No helicopters or any other means of aerial conveyance may be landed at any place on the Land, except with the consent of and subject to such conditions as may be laid down by the Association.
- 4.10 No person shall allow any vehicle to drip oil or brake fluid on the Land or in other way to deface the Land.
- 4.11 In the event of any person contravening or failing to comply with, or being deemed to have contravened or failed to comply with any provision of these House Rules and Regulations he shall be liable to a penalty as the directors may from time to time decide and in accordance with the MOI of the Association.

5. OPEN SPACES

- 5.1 No person shall anywhere in the open spaces, disturb, harm, destroy, or permit to be disturbed, harmed, or destroyed, any wild animal, farm animal, insect, reptile, bird or plant.
- 5.2 Fires:
 - 5.2.1 No fires shall be lit anywhere in the open spaces except at such place as may be designated for the purpose by the Association, and in a properly constructed fireplace. This specifically excludes the burning of firebreaks for the protection of the property by trained personnel properly authorised by the managing agent.

- 5.2.2 No camping shall be permitted.
- 5.3 No person shall discard any litter at any place in the open spaces, except in such receptacles and in such places as may be set aside for the purpose and designated by the Association.
- 5.4 No person shall use any open space in any manner, which may unreasonably interfere with the use and enjoyment thereof by other persons on the Land.
- 5.5 No person shall make any excavations on or remove any soil from the land unless authorised by the Directors.
- 5.6 No person shall use or conduct himself upon any open space in such a manner as may, in the opinion of the Association, detrimentally affect the open space or any of the amenities thereof.
- 5.7 No person may setup a camp on a temporary basis unless authorised by the Association.
- 5.8 No person shall, in any manner whatsoever, disturb or interfere with such member or other person in the enjoyment of his rights of exclusive use and enjoyment.
- 5.9 No person shall, anywhere on the Land, discharge any firearm, or any airgun or pistol, except in self-defence.
- 5.10 Where access to the dams or river from the estate shall be by way of paths specifically designated by the Association, no person shall enter the dams or gain access to the river except by way of a path so designated.
- 5.11 No person shall feed game or birds, save and except by the freehold title member in the course of normal low impact farming activities.
- 5.12 No person shall swim in the river or dams.
- 5.13 Fishing shall only be permitted in approved dams and rivers.
- 5.14 No person shall introduce any motorised generators or power plants or any noise making object or apparatus on the Land without the written consent of the Association;
- 5.15 No person shall use or cause to be used any skateboards or motor cycles on the Land, unless authorised thereto by the Association;
- 5.16 No person shall introduce any flora onto the Land or cultivate any flora on the Land, unless authorised thereto by the Association.
- 5.17 No person shall collect or take anything from the Land including without limitation wood, stones, flora, and fauna or damaging of fauna or flora.

6 RIVERS AND DAMS

- 6.1 No person shall launch upon any dam or river any craft of any description whatsoever, except with the consent of and at a place designated for that purpose by the Association. The use of any authorised private craft will be done so at the Members own risk.
- 6.2 No person shall pollute or permit the pollution of the dam or river by any substance, which may, in any manner, be injurious to any plant or animal or which may, in any way be unsightly.

7 DOMESTIC REFUSE

- 7.1.1 The removal of domestic and other refuse shall be under the control of the Managing Agent and/or the relevant local authority. The Association may, from time to time, by notice in writing to all persons concerned:
- 7.1.2 Lay down the type and size of refuse containers to be obtained;
- 7.1.3 Give directions in this regard to the placing of such refuse for collection; and
- 7.1.4 Require the payment of a reasonable charge for the provision of such containers.
- 7.2 It shall be the duty of every owner or occupier of a chalet or other Improvement to ensure that such directions given by the Managing Agent or local authority, are fully observed and implemented.
- 7.3 No person shall keep any refuse within or outside his chalet or other Improvement except in the containers aforesaid.
- 7.4 Containers shall not be kept in any place outside any chalet or other Improvement except in such places as may be specifically set aside therefore or as may be approved by the Managing Agent from time to time.
- 7.5 Where, in the opinion of the Managing Agent, any item of refuse is of such size or nature that it cannot be conveniently removed by the refuse removal services provided or arranged by the Association, or local authority, the Managing Agent may give the person wishing to dispose of such refuse such directions for its disposal as he may deem fit.

8 DOMESTIC AND FARM ANIMALS

Domestic animals or pets shall not be permitted on the Land or any part of the Scheme unless authorised by the Association.

This specifically excludes dogs for the sight/hearing impaired, guard dogs kept by the Association for security purposes and further farm and domestic animals owned by the "Freehold Title Member" which animals shall be permitted on the freehold land and on the "Remainder of the Land"

9 INDEMNITY

All members and other persons who are entitled to occupy a chalet shall be required to sign an indemnity form.

10 CONDUCT RULES RELATING TO SPORTING FACILITIES

The Association and/or the managing agent shall be entitled to introduce specific regulations pertaining to the use of sporting facilities and members shall be obliged to comply with such regulations.

11 SECURITY

11.1 Members shall be entitled, with the prior written consent of the Association, to install basic burglar alarms in their chalets provided that they comply with the estate security system and furthermore that the type of burglar alarm and its installation permits the Association and/or managing agent to deactivate whilst members are not in residence.

11.2 Security rules and regulations as may be issued from time to time must be strictly adhered to.

11.3 Members must give their full co-operation and assistance to security guards.

12 USE OF CHALETS BY OTHERS AND THE OVER POPULATION OF CHALETS

12.1 No member or other person entitled to occupy a chalet, shall accommodate nor allow to be accommodated more than the maximum number of persons permitted to occupy each chalet.

12.2 For the purpose of this section, accommodate shall be defined as having reference to any person entering and remaining on the Land and/or the Scheme for a period of 24 hours or more who is still on the Land at 01h00 and who is not accommodated in another chalet on the Land.

12.3 Notwithstanding the above, the Association may after written application allow more than the maximum number of persons per chalet, access to the Land.

12.4 All members are required to timeously request security in writing to admit any person, including the member or his family to the Land. Such request shall contain the name of a person or persons to be admitted, the number of persons, the registration number of the vehicle conveying such persons, the date and approximate time of arrival and the date of departure.

12.5 Members shall be obliged to notify the Association in writing of the identity of the domestic staff, which that member wishes to have occupying any portion of the Land. Only one domestic servant per chalet will be allowed. It is specifically recorded that if the Company has not approved of a member's domestic servant, such person will not be permitted access to the Land.

12.6 No member shall allow any minor person, under the age of 18 years, to be accommodated in a chalet without such minor being under direct adult

supervision. It being recorded that the directors and/or managing agent shall be entitled to have or cause to be removed from a chalet any minor person so unaccompanied but accommodated in the chalet.

13 GENERAL

- 13.1 No washing of any nature may be hung out or placed anywhere to dry except in the drying yard, or such other area designated for the purpose.
- 13.2 Whenever the Managing Agent is of the opinion that the behaviour of any person constitutes a nuisance to any other person, or may be detrimental to the amenities of the Land generally, he may call upon such person to cease such behaviour. In the event of such person failing to do so, he shall be deemed to be guilty of having contravened this section of these conduct rules.
- 13.3 No persons shall keep anywhere in the Land any inflammable substances, provided however, that this rule shall not apply to keeping of such substances and in such quantities as may be reasonably required for normal domestic use.
- 13.4 No marketing or signage of any nature will be permitted on the estate without the prior written consent of the Association.
- 13.5 No member other than a commercial enterprise member or the developer shall be entitled to operate or undertake any business or other commercial undertaking from the Land.
- 13.6 All members on arrival agree to check in at the reception office.

14 UNACCEPTABLE DEFAMATORY, INFLAMMATORY AND VEXATIOUS CONDUCT

No member shall in any communication with the directors or any party employed by the Association (including the Managing Agent), whether that communication be written or oral, conduct themselves in such a manner as in the opinion of the directors constitutes defamatory, inflammatory or vexatious conduct. It being specifically recorded and understood that in the event of the directors finding that any conduct of a member is such as to constitute defamatory, inflammatory or vexatious conduct, they shall act against that member in accordance with the provisions of clause 25 of the Associations MOI.

15 OFFENCES AND PENALTIES

- 15.1 Any person who contravenes or fails to comply with or is deemed to have contravened or failed to comply with any provisions of the Rules and Regulations contained herein, or any order or direction given in terms hereof, shall be liable to a penalty, including a fine, not exceeding such amount as the directors may, from time to time, decide.
- 15.2 In the event of any breach of the House Rules and Regulations by the members of any members' household or his guests or lessees, invitees or the like, such breach shall be deemed to have been committed by the

member himself, but without prejudice to the afore-going, the Association and/or managing agent may take or cause to be taken such steps against the person actually committing the breach as they in their discretion may deem fit.

- 15.3 The Association may delegate any of its powers in terms of these Rules and Regulations to the Managing Agent upon such terms and conditions as it may deem fit.
- 15.4 The Managing Agent may delegate any of the powers so delegated to him, or any power accorded to him in terms of these Rules and Regulations to any person nominated by him for the purpose, and any reference to the Agent shall be deemed to include a reference to such nominee.
- 15.5 The "Managing Agent" shall for purposes of the interpretation of these rules mean the person duly nominated, in writing, but the Association to implement all or any of the Rules and Regulations contained herein, or to exercise any of the Association's powers in terms of these Rules and Regulations.

16 RENTAL POOL

- 16.1 The company operates a rental pool scheme for the benefit of all members of the Association.
- 16.2 The rental pool scheme applies to all members. No member may privately rent out a chalet without the specific written permission of the Directors.
- 16.3 The Rental pool scheme will operate in accordance with the rental pool rules as determined by the Company from time to time.
- 16.4 The Company shall ensure that all units in the rental pool scheme comply with the resort minimum standards, which are based on a four-star hotel grading. The Company are empowered not to accept or to remove a chalet from the rental pool scheme should it not comply with the minimum standards.
- 16.5 All tenants occupying the chalets shall comply with the House Rules and Regulations.