

ARTICLES OF ASSOCIATION

of

PRINCE'S GRANT HOMEOWNERS ASSOCIATION

THIS COPY DATED 23 SEPTEMBER 2007

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1 **Preliminary**

The articles of table “A” contained in schedule I to the Companies Act, shall not apply to the association.

2 **Definitions**

In these presents:

2.1 The following words shall, unless the context otherwise requires, have the meanings hereinafter assigned to them:

“**the Act**” shall mean the Companies Act 1973;

“**architect**” shall mean one of the panel of architects and/or designers accredited by the association to design dwellings at Prince’s Grant;

“**building committee**” shall mean the committee appointed by the association and shall consist of at least two of the appointed architects and two nominees of the association.;

“**the association**” shall mean the Prince’s Grant Homeowners Association, an Incorporated association not for gain;

“**auditors**” shall mean the auditors of the association;

“**business unit**” shall mean a sectional unit or a cluster unit which is in terms of the Town Planning Scheme may be used for business purposes;

“**chairman**” shall mean the chairman of the Board of Directors;

“**cluster development**” shall mean a residential lot containing cluster units;

“**cluster unit**” shall mean a dwelling unit capable of being situated on its own individual sub-division of a residential lot tenure of which may be registered in the land register of the Deeds Registry, but excluding a sectional unit:

“**the developer**” shall mean Prince’s Grant Holdings (Proprietary) Limited No. 91/04616/07 or their successors-in-title as developers of the project Prince’s Grant Golf Club and Country Estate;

“**dwelling**” shall mean a self – contained, interleading group of rooms, for a single family with not more than one kitchen as provided for in the Prince’s Grant Town planning Scheme

“**Chief Executive Officer (CEO)**” shall mean any person appointed by the association as an employee to undertake the management of the township and the affairs of the association, and designated Chief Executive Officer;

“**financial year**” shall mean the financial year of the association which shall run from the 1st day of April in any year to the last day in March in the subsequent year,

“**in writing**” shall mean written, printed or lithographed or partly one and partly another, and other modes of representing or producing words in visible form;

“**the local authority**” shall mean the local authority having jurisdiction over the township and meaning a City or Town Council, a Town Board or the Health Committee and including the Development and Services Board in the event of a development area being proclaimed in respect of the township;

“**medium density lot**” shall mean a defined area of land upon which medium density housing is established or is proposed to be established as dwelling units and curtilages;

“**member**” shall mean a member of the association;

“**the office**” shall mean the registered office of the association;

“**the open space**” shall mean a private open space as defined in the Prince’s Grant Town Planning Scheme;

“**residential lot**” shall mean a lot as defined in the Prince’s Grant Town Planning Scheme;

“**the roads**” shall mean the roads which have been or are to be constructed on the property and as shown on the Town Planning

scheme plan for the property;

“**sectional unit**” shall mean a dwelling unit the tenure of which is in terms of the Sectional Titles Act No. 95 OE 1986. as amended;

“**services**” shall mean the provision of water, sewerage, electricity, drainage, telecommunications, refuse removal, fire fighting, transport and such other utilities and amenities as may be provided by the association:

“**share block**” shall mean a share block in the company Prince’s Grant Property Share Block Limited No. 91/03166/06 or it’s successor-in-title;

“**these presents**” shall mean these Articles of Association and any House Rules of the association, from time to time in force;

“**town planning committee**” shall mean the Prince’s Grant Town Planning Committee, which may be established in terms of the Town Planning Ordinance No. 27 of 1949, as amended;

“**town planning scheme**” shall mean the Prince’s Grant Town Planning Scheme as approved in accordance with the provisions of Ordinance 27 of 1949, as amended during August 1994 with scheme map 331/6.;

“**township**” shall mean the township of Prince’s Grant;

“**unit**” shall include a sectional title unit, cluster unit, business unit, residential lot, medium density lot or share block:

“**vice-chairman**” shall mean the vice-chairman of the Board of Directors;

- 2.2 Unless the context otherwise requires, any words importing the singular number shall also include the plural number, and vice versa and words importing any one gender shall include the other two genders.
- 2.3 Subject as aforesaid, any words or expressions defined in the Act or in the Sectional Titles Act or any statutory modifications of such Act in force at the date on which these presents become binding on the association shall, if not inconsistent with the subject or context, bear the same meaning in these presents.
- 2.4 Reference to a unit shall also refer to a shareblock which gives to the owner the exclusive use and occupation of a residential lot, business lot, or a unit in a medium density development at Prince’s Grant.

3 Membership

- 3.1 Membership of the association shall be obligatory for and limited to any person:
 - 3.1.1 who is in terms of the Deeds Registry Act [and where applicable the Sectional Titles Act] is reflected in the records of the Deeds Office concerned as the registered owner of any land or unit in the township;
 - 3.1.2 who is reflected in the share register of Prince’s Grant Property Share Block Limited [PGP] as being the registered owner of a share block in Prince’s Grant Property Share Block Limited.

Where any unit is owned by more than one person, all the registered owners of that unit shall together be deemed to be one member of the association.

When a member ceases to be a registered owner of a unit., he shall *ipso facto* cease to be a member of the association and no owner of a unit shall transfer his unit or share block unless it is a condition of such transfer that the transferee, in a manner acceptable to the association, agrees to become a member and is admitted as member in terms of the provisions of the articles of association and the constitution of the golf club.

All members of the association shall be obliged to be members of Prince’s Grant Golf Club and shall be responsible for the payment of an annual subscription in respect of each share block, unit or lot owned by such member [one full membership shall attach to each lot or unit and, in the event of a person owning more than one lot or shareblock, they shall be responsible for the payment of a subscription in respect of each lot or unit owned by them].

In order to procure compliance with the provisions of this article, it shall be registered as a condition of ownership of the unit and no unit may be transferred without the written consent of the association being first had and obtained which consent shall be given if the proposed transferee is or will be admitted as a member of the association and is accepted as a member of Prince’s Grant Golf Club.

- 3.2 When a member ceases to be the registered owner of a unit or lot, he shall *ipso facto* cease to be a member of the association.

- 3.3 Notwithstanding the provisions above it is hereby expressly provided that the owners of the Prince's Grant Lodge and/or their successors in title shall at all times be members of the association which membership shall:
- 3.3.1 allow them 12 votes at any general meeting called in terms of this articles of the association or at any other meeting, with the exception of any golf club meetings, whereby the members of the association shall be required to vote;
- 3.3.2 compel them to pay a monthly levy as provided for in article 5, which levy amount shall not be more than the combined amount of 12 ordinary levies paid in terms of a single residential lot. No golf club levies will be paid by the Prince's Grant Lodge or their successors in title.
- 3.4 A member shall not in any manner alienate a unit or a share block granting the exclusive use to a unit, unless it's a condition of the agreement of alienation that:
- 3.4.1 the proposed transferee has bound himself, to the satisfaction of the association, as a contract for the benefit of the association, to become a member of the association, upon transfer of the unit to him;
- 3.4.2 registration of transfer of that unit into the name of the transferee or alternatively registration of transfer of a share block relating to a particular unit shall *ipso facto* constitute the transferee as a member or the association;
- 3.4.3 The provisions of article 3.4.2 shall apply *mutatis mutandis* to any alienation of an undivided share of the unit.
- 3.5 The registered owner of a unit or share block may not resign as a member of the association.
- 3.6 The directors may by regulation provide for the issue of a membership certificate which certificate shall be in such form as may be prescribed by the directors.
- 3.7 The rights and obligations of a member shall not be transferable and every member shall:
- 3.7.1 further to the best of his ability the objects and interests of the association;
- 3.7.2 observe all house rules made by the association or the directors;
- provided that nothing contained in these Articles of Association shall prevent a member from ceding these rights in terms of these articles as security to the mortgagee of that member's unit or the pledgee of a shareblock related to any unit at Prince's Grant.

4. Cessation of membership

No member ceasing to be a member of the association for any reason shall, nor shall any such members, their executors, curators, trustees or liquidators, have any claim upon or interest in or rights to the funds or other property of the association.

The association may claim from any member or his estate any arrears of levy and interest or other sums due from him to the association at the time of his ceasing to be a member.

5. Finance committee and levies

There shall be established under article 16.6 below, a finance committee which shall consist of 3 directors appointed by the board of directors and the CEO.

- 5.1 The finance committee shall from time to time, make levies upon the members for the purpose of meeting all the expenses which the association has incurred, or to which the finance committee reasonably anticipate the association will be put by way of maintenance, repair, improvement, and keeping in good order and condition of the golf course, roads, open space and services, and the exterior of any buildings, structures, erections and other improvements in the township, including units, and/or for payment of all rates and other charges payable by the association in respect of the lots vested in it and/or for the services rendered to it, and/or for payment of the salaries and/or wages of the employees of the association and generally for the payment of all expenses necessarily or reasonably incurred in connection with the Management of the Association, the township, and the association's affairs including all and any expenses reasonably or necessarily incurred in the attainment of the objects of the association or in the pursuit of its business.
- 5.2 In computing the levy, the finance committee shall take into account all expenses relating to residential lots, medium density lots, cluster units, sectional title units and business units administered by the association and shall base the calculation on the township having 462 residential units. In addition to the above, the finance committee shall take into account any units which do not have all services such as sewerage and electricity and shall make an adjustment in respect of the cluster units, such adjustment being at their discretion.
- 5.3 The finance committee shall not less than 30 days prior to the end of each financial year, or as soon thereafter as reasonably

possible, prepare and serve upon every member at the address chosen by him an estimate in reasonable detail of the amount which shall be required by the association 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.

Each notice to each member shall specify the contribution payable by that member to such expenses and reserve fund.

- 5.4 Every levy shall be payable in equal monthly installments due in advance on the first day of each and every month of each financial year.
- 5.5 In the event of the finance committee for any reason whatsoever failing to prepare and serve the estimate referred to in article 5.3 above timeously, every member shall until service of such estimate as aforesaid continue to pay the levy previously imposed and shall after such service pay such levy as may be specified in the notice referred to in articles 5.2 and 5.3.

6. **Special Levies**

The finance committee may from time to time make special levies upon the members in respect of all such expenses as are mentioned in article 5.1 which were not included in any estimate made in terms of article 5, and the finance committee may in imposing such levies further determine the terms of payment thereof.

7. **Interest on Levies**

- 7.1 The finance committee shall be empowered in addition to such other rights as the association may have in law as against its members to determine the rate of interest from time to time chargeable upon arrear levies, provided that such rate of interest shall not exceed the rate laid down in terms of the Limitation and Disclosure of Finance Charges Act No. 73 of 1968 as amended.
- 7.2 Any amount due by a member by way of a levy and interest shall be a debt due by him to the association. The obligation of a member to pay a levy and interest shall cease upon his ceasing to be a member without prejudice to the association's right to recover arrear levies and interest. No levies or interest paid by a member shall under any circumstances be repayable by the association upon his ceasing to be a member. A member's successor in title to a unit shall be liable as from the date upon which he becomes a member pursuant to the transfer of that unit, to pay the levy and interest thereon attributable to that unit.

8. **Calculation of Levies**

- 8.1 In calculating the levy payable by any member the finance committee shall as far as reasonably practicable:
- 8.1.1 assign those costs arising directly out of the unit itself to the member owning such unit;
- 8.1.2 assign a portion of those costs attributable generally to a particular sectional title development or cluster development to the registered owners of units and share blocks in that sectional title development or cluster development as the case may be.
- 8.2 Assign those costs relating to the township generally to the owners of all units equally; provided however that the finance committee may in any case where it considers it equitable so to do:
- 8.2.1 Assign to any business units such greater share of the expenses mentioned in article 5.1 above as it may consider reasonable in the circumstances.
- 8.2.2 Assign to any member any greater or lesser share of the costs as may be reasonable in the circumstances.
- 8.2.3 Assign to any member a greater or lesser proportion of the cost of maintaining entertainment and recreation areas and facilities, including those costs associated with the golf course, as it may consider reasonable in the circumstances.
- 8.3 In the event of an owner owning a medium density lot or a residential lot which allows the development of more than one residential unit thereon, then the proportion shall be related to the number of units which the owner of the property is entitled to build on his property. For example. should an owner own a medium density unit which entitles him to build 8 dwelling units then such owner shall be obliged to pay an 8/462 share of the expenses referred to in article 8.2.
- 8.4
- 8.4.1 Prince's Grant Town Planning Scheme provides that a dwelling means a self-contained, interleading group of rooms, for a single family, including not more than one kitchen.
- 8.4.2 In the event of any house containing more than one kitchen, in contravention of the Prince's Grant Town Planning Scheme and the Board being satisfied that the house is not being used for the purposes of a single family, then the Board shall be entitled to call upon the owner or owners of the offending property to pay double the monthly levy and golf subscription in respect of such property and/or take such action as the Board may feel necessary to rectify the breach of the Prince's Grant Town Planning

Scheme.

- 8.5 No member shall be entitled to any of the privileges of membership unless and until he shall have paid every levy, interest thereon in terms of article 7.1 and any other sum if any which may be due and payable to the association, from whatsoever cause arising.
- 8.6 The directors of the finance committee shall not be entitled to undertake on behalf of the association any works of a capital nature of which the value exceed R250 000 without the sanction of a resolution of the association in general meeting.
9. **Building committee**
- 9.1 A building committee shall be established under article 16.6, which shall consist of at least two architects appointed by the board of directors, two nominees of the board of directors and the CEO or his representative.
- 9.2 The duties of the building committee shall be to ensure compliance with the building regulations and to formulate and amend such building regulations which shall include the following:
- 9.2.1 Approve a builder or builders on an annual basis to ensure that all buildings are to a standard acceptable to the building committee.
- 9.2.2 Approve all building plans in conjunction with the Local Municipality or such other local authority having control over the township.
- 9.2.3 Control of all landscaping and gardening in respect of the entire township.
- 9.2.4 Determining the position of each building to be built in the township notwithstanding that a building may be built on the property of a particular owner. The position of an owner's building shall be determined in collaboration with the owner subject to the condition that the building committee's discretion shall prevail in the event of any disagreement.
- 9.2.5 Impose such height restrictions as it deems necessary in order to ensure that the views and residential amenities of each unit are not unreasonably affected by the buildings on any particular unit.
- 9.2.6 To ensure that a high quality of building standards is maintained in the township and generally to impose such additional regulations as may be necessary to ensure such quality.
- 9.2.7 Ensure that the panel of approved architects/ designers confirm their availability to design residential dwellings at Prince's Grant on an annual basis and pay an annual registration fee as determined by the finance committee from time to time and to limit the number of this panel, in any one year, to 15. (Duly registered as special resolution with companies registration offices on 24 October 2007.)
- 9.3 The building committee shall be entitled to charge a fee for the approval of building plans which shall be payable by the owner submitting building plans for approval.
- 9.4 Each and every plan shall be prepared by the architect and the architects fees incurred with respect to any unit shall be payable by the owner of such unit. Such plan should thereupon be submitted to the building committee for its approval and no building operations shall be carried on save strictly in accordance with such approved plan.
- 9.5 No gardening by owners of units will be permitted, save with the prior written authority of the homeowners' association [referred to hereunder] nor will any owner be entitled to erect any boundary fence unless such plan is prepared by the Building Committee;
- 9.5.1 The homeowners' association shall be responsible for all gardens;
- 9.6 Only builders approved by the building committee may be employed and construction of each respective unit shall be completed within 12 months of the date of the commencement of construction. In the event of the building not being completed in the 12 month period, the respective homeowner shall be liable for a fine as approved by the association from time to time.
- 9.7 The building committee shall, on written request, supply any owner with the particulars of the architectural theme, building specifications and schedule of finishes which shall be binding on all unit owners;
- 9.8 The building committee shall be entitled, from time to time, to impose additional regulations or to amend the existing regulations, in order to ensure that a high quality of building standards and aesthetics is maintained:
- 9.9 The aforesaid regulations shall be subject to whatever building restrictions are imposed by the Commission and unit owners shall be deemed to have agreed to be bound by such requirements.

- 9.10 When developing units, property owners will be obliged to set aside an amount, which amount is to be approved by the Board from time to time provided that the said amount may not be prescribed as more than 2% of the total contract price of the dwelling to be developed, for landscaping of the particular erf.
- 9.11 That all homeowners at Prince's Grant allow reasonable access to their neighbours to maintain abutting walls and appurtenances and such access be arranged through the Homeowners' Association offices and be subject to rules as determined by the Building Committee from time to time. (Registered as special resolution with companies registration offices on 24 October 2007.)

10 Lots forming roads and open space

- 10.1 Neither the whole or any portion of the roads or open space which fall inside the boundaries of the property owned by the association, as shown on the Town Planning scheme map, shall be sold, let or alienated or otherwise disposed of, subdivided or transferred except in circumstances laid down in the Conditions of Establishment of the township or with the consent of a special resolution of the association.
- 10.2 The lots referred to in article 10.1 above shall not be mortgaged or subject to any rights, whether registered in the Deeds Registry or not, save for servitudes which are for the purposes of protecting the rights of members and ensuring that services may be maintained and protected for the benefit of members of the association, without the sanction of a special resolution of the association. No member shall be entitled unreasonably to vote against any special resolution which may be proposed.
- 10.3 Nothing contained in these articles shall prevent the Association from erecting, at its own cost, such buildings or making such other improvements upon the said lots as may be permitted in terms of the Town Planning scheme.

11 House rules

Subject to any restriction imposed or direction given at a general meeting of the association, the directors may from time to time make house rules in regard to:

- 11.1 the use by members, the members of their households, their guests, and lessees, of the roads, open space and sporting amenities, including the right to prohibit, restrict or control such use of the roads and open space or any portions thereof as may from time to time be necessary or expedient;
- 11.2 the preservation of the natural environment, vegetation and fauna in the township;
- 11.3 the use of parking areas;
- 11.4 The right to prohibit, restrict or control the keeping of any animal which they regard as dangerous or a nuisance:
- 11.5 The use of services, entertainment and recreation areas, amenities and facilities including the right to make a reasonable charge for the use thereof,
- 11.6 the control of business premises;
- 11.7 the placing of movable objects upon the outside of buildings, including the power to remove any such objects;
- 11.8 the keeping of flammable substances;
- 11.9 the conduct of any persons within the township for the prevention of nuisance of any nature to any member:
- 11.10 the use of land within any residential lot in the township;
- 11.11 where a unit is owned in undivided shares, for regulating the use of such unit by the co-owners thereof and their inter se;
- 11.12 for the enforcement of any of the house rules made by the directors in terms hereof, the directors may:-
- 11.12.1 take or cause to be taken such steps as they may consider necessary to remedy the breach of the house rule of which the member may be guilty, and debit the cost of so doing to the member concerned which amount shall then be deemed to be a debt owing by the member concerned to the association; and/or
- 11.12.2 impose a system of fines or other penalties. The amounts of such fines shall be reviewed and confirmed at each annual general meeting of the association.
- 11.13 In the event of any breach of the house rules by the members or the member's household, or his guests, or lessees, such breach shall be deemed to have been committed by the member himself, but without prejudice to the foregoing the directors may take or

cause to be taken such steps against the person actually committing the breach as they in their discretion may deem fit;

- 11.14 In the event of any member disputing the fact that he has committed a breach of any of the house rules aforesaid, a committee of two directors appointed by the chairman for the purpose, shall adjudicate upon the issue at such time and in such manner and according to such procedure (provided that natural justice shall be observed) as the chairman may direct. Any fine imposed upon any member shall be deemed to be a debt due by the member to the association and shall be recoverable by ordinary civil process;
- 11.15 Notwithstanding the foregoing, the directors may in the name of the association enforce the provisions of any house rules by civil application or action in court of competent jurisdiction and for this purpose may appoint such attorneys and counsel as they deem fit;
- 11.16 Notwithstanding the above, in the event of any member being in persistent or flagrant breach of any of the articles or any house rules made in terms thereof, or being in breach thereof and failing to remedy such breach, the directors may, after not less than 7 days' notice to the member concerned that they intend to do so, discontinue any service provided to the member by the association for such period as the directors may deem fit;
- 11.17 It shall be the duty of the CEO, or such other person or body as may be empowered by the directors, to ensure compliance by the members, their guests, lessees, and all other persons within the township, 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.
- 11.18 Each member undertakes to the association that he shall comply with any house rules made in terms and conditions of these articles of association and any house rules made in terms hereof.

12 **Directors**

There shall be a Board of Directors of the association which shall consist of not less than 4 and not more than 7 members as provided for below.

- 12.1 A director shall be an individual, but need not himself be a member of the association. A director, however, by accepting his appointment to office as such, shall be deemed to have agreed to be bound by all the provisions of these presents.
- 12.2 The Board of Directors shall, consist of:
 - 12.2.1 Not more than 5 directors, who shall be elected by the members entitled to vote at the Annual General Meeting of the Association;
 - 12.2.2 the golf captain; and
 - 12.2.3 the CEO, ex officio

13 **Removal and rotation of directors**

- 13.1 The directors shall appoint, from their number, a chairman and vice-chairman.
- 13.2 A director shall be deemed to have vacated his offices as such upon:
 - 13.2.1 his estate being sequestrated, whether provisionally or finally, or his surrendering his estate;
 - 13.2.2 the commissioning by him of any act of insolvency
 - 13.2.3 his conviction for any offence involving dishonesty, his becoming of unsound mind or being found lunatic, his resigning from such office in writing delivered to the secretary, his death;
 - 13.2.4 his being removed from office as provided in Section 220 of the Act;
 - 13.2.5 in the event of the director being a member of the association, him/her being disentitled to exercise a vote in terms of article 25
- 13.3 provided that anything done in the capacity of a director in good faith by a person who ceases to be a director, shall be valid until the fact that he is no longer a director has been recorded in the Minute Book of the Board of Directors.
- 13.4 upon any vacancy occurring on the Board of Directors prior to the next annual general meeting, the vacancy in question shall be filled by a person nominated by the remaining Directors;

14 **Chairman and vice-chairman**

- 14.1 Within 7 days of the holding of each annual general meeting, the Board of Directors shall elect a chairman and vice-chairman, who

shall hold their respective offices until the annual general meeting held next after their said appointments, provided that the office of the chairman or vice-chairman shall *ipso facto* be vacated by the director holding such office upon his ceasing to be a director for any reason. No one director shall be appointed to more than one of the aforesaid offices. In the event of any vacancy occurring in any of the aforesaid offices at any time, the Board of Directors shall immediately appoint one of their number as a replacement in such office.

14.2 Save as otherwise provided in these presents, the chairman shall preside at all meetings of the Board of Directors, and all general meetings of members, and shall perform all duties incidental to the office of chairman and such other duties as may be prescribed by the Board of Directors or of members.

14.3 The vice-chairman shall assume the powers and duties of the chairman in the absence of the chairman or his inability or refusal to act as chairman, and shall perform such other duties as may from time to time be assigned to him by the chairman or the Board of Directors.

15 **Directors' remuneration**

15.1 The directors shall be entitled to be repaid all reasonable and *bona fide* expenses incurred by them respectively in or about the performance of their duties as directors and/or chairman, and/or vice-chairman as the case may be.

15.2 The directors shall be entitled to remuneration in respect of the performance of their duties in terms hereof as determined by the association in general meeting, but such remuneration shall in no case exceed the remuneration paid to board or committee members of a local authority comparable in size to the township.

16 **Functions and powers of the Board of Directors**

16.1 Subject to the express provisions of these presents, the directors shall manage and control the business and affairs of the association, shall have full powers in the management and direction of such business and affairs, including the right to appointment and dismissal of the CEO, and save as may be expressly provided in these presents. may exercise all such powers of the association, and do all such acts on behalf of the association, and as may exercised and done by the association, and as are not by the Act or by these presents required to be exercised or done by the association in general meeting, subject nevertheless to any provisions of the Act, and to such house rules as may be prescribed by the association in general meeting from time to time; provided that no house rule made by the association in general meeting shall invalidate any prior act of the Board of Directors which would have been valid if such house rule had not been made.

16.2 Without prejudice to the generality of the foregoing, the directors may in their discretion from time to time for the purposes of the association borrow or raise such sum or sums of money from members of the association or from such other persons as the directors may decide. The directors may further secure the repayment of any sums so raised in such manner and upon such terms as they may deem fit, whether by the mortgaging of the property of the association or any part thereof, or otherwise.

16.3 Without prejudice to the generality of article 16.1, the directors shall ensure that there is included in the contract of appointment of any managing agent, a provision to the effect that if he is in breach of any of the provisions of his contract, or if he is guilty of conduct which at common law would justify the termination of the contract between master and servant, the association may, without notice, cancel such contract of appointment, and the managing agent shall have no claim whatsoever against the association or any of the members as a result of such cancellation.

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

16.5 The Board of Directors shall have the right to co-opt onto the board any person or persons chosen by it. A co-opted director need not necessarily be a member of the association. A co-opted director shall have the right to be notified of and to attend all directors' meetings and to speak thereat in all respects as if he were a full member but shall have no vote at any such meetings and may not be elected to the office of chairman or vice-chairman. Save as aforesaid, a co-opted director shall enjoy all the rights and be subject to all the obligations of a director.

16.6 The directors shall be entitled to appoint committees consisting of such number of their members and such outsider, including a nominee of the CEO, as they may deem fit and to delegate to such committees such of their function, powers and duties as they may deem fit, with further power to vary or revoke such appointments and delegations as the directors may from time to time deem necessary.

16.7 The Board of Directors may in addition to the powers conferred upon them in terms of article 16 above, make house rules not inconsistent with these articles or any house rules prescribed by the association in general meeting, for the furtherance and promotion of any of the objects of the association, for the better management of the affairs of the association, for the advancement of the interest of members, for the conduct of directors' meeting and general meetings. and to assist it in administering and governing its activities generally, and shall be entitled to cancel, vary or modify any of the same from time to time.

16.8 The association may in general meeting itself make any house rules which the directors are entitled to make, and shall be entitled to cancel, vary or modify any house rules made by it or by the directors from time to time.

17 **Proceedings of directors**

17.1 The directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit, subject to any provisions of these presents.

17.2 Meetings of the directors shall be held on at least one occasion every quarter, provided that if all the directors shall in writing have waived the above requirement in respect of a particular quarter, then no meeting of the directors need be held for that quarter.

17.3 The quorum necessary for the holding of any meetings of the directors shall be 4 (but not including co-opted directors) present personally.

17.4 The chairman shall preside as such at all meetings of the directors provided that should at any meeting of the directors the chairman not be present within 5 minutes after the time appointed for the holding thereof, then the vice-chairman shall act as chairman at such meeting, provided further that should the vice-chairman also not be present within 5 minutes of the time appointed for the holding of such meeting, those directors present shall appoint a chairman for the meeting, who shall thereupon exercise all the powers and duties of the chairman in relation to the meeting. Notwithstanding 17.3, in the event of there being five directors, then the quorum shall be three.

17.5 The directors shall cause minutes to be taken of every director's meeting, although not necessarily verbatim, which minutes shall be reduced to writing without undue delay after the meeting has closed and shall then be certified correct by the chairman of the meeting. All minutes of directors' meetings shall after certification as aforesaid be placed in a director's minutes book to be kept in accordance with the provisions of the law relating to the keeping of minutes of meetings of directors of companies. The directors' minute book shall be open for inspection at all reasonable times by a director, the auditors, the members and the CEO.

17.6 All competent resolutions recorded in the minutes of any directors' meeting shall be valid and of full force and effect as therein recorded, with effect from the passing of such resolutions, and until varied or rescinded, but no resolution or purported resolution of the directors shall be of any force or effect, or shall be binding upon the members or any of the directors unless such resolution is competent within the powers of the directors.

17.7 Save as otherwise provided in these presents, the proceedings at any directors' meeting shall be conducted in such reasonable manner and form as the chairman of the meeting shall decide.

17.8 A resolution signed by all the directors shall be valid in all respects as if it had been duly passed at a meeting of the Board of Directors duly convened.

18 **General meetings of the association**

18.1 The association shall within 6 months after the end of each financial year hold a general meeting as its annual general meeting, in addition to any other general meetings during that year, and shall specify the meeting as such in the notices in terms of article 19 below calling it.

18.2 Such annual general meeting shall be held at such time and place, subject to the foregoing provisions, as the directors shall decide from time to time.

18.3 All general meetings other than annual general meetings shall be called extraordinary general meetings.

18.4 The directors may, whenever they think fit, convene an extraordinary general meeting, and an extraordinary general meeting shall also be convened on a requisition made in terms of Section 181 of the Act, or in default, may be convened by the requisitionists as provided by and subject to the provisions of that Section.

19 **Notices of meetings**

An annual general meeting and a meeting called for the passing of a special resolution, shall be called by 21 clear days notice in writing at the least, and an extraordinary general meeting, other than one called for the passing of a special resolution, shall be called by 14 clear days notice in writing at least. In each case the notice shall be exclusive of the day on which it is given, and shall specify the place, the day and the hour of the meeting, and in the case of special business, in addition to any other requirements contained in these presents, the general nature of that business, and in the case of a special resolution, the terms and effect of the resolution and the reasons for it shall be given in the manner hereinafter mentioned or in such other manner, if any, as

may be prescribed by the directors to such persons as are under these presents entitled to receive such notices from the association provided that a general meeting of the association shall, notwithstanding that it is called by shorter notice than that specified in these presents, be deemed to have been duly called if it is so agreed:

- 19.1 In the case of a meeting called as the annual general meeting by all the members entitled to attend and vote thereat:
and
- 19.2 In the case of an extraordinary general meeting, by a majority of not less than 95% of the members having a right to attend and vote at the meeting.

Insofar as special notice may be required of a resolution, whether by any provision of the Act or these presents, then the provisions of Section 186 of the Act shall apply.

The Association shall comply with the provisions of Section 185 of the Act as to giving the notice and circulating statements on the requisition of members.

The accidental omission to give notice of a meeting or of any resolution, or to give any other notification, or present any document required to be given or sent in terms of these presents, or in terms of the Act, of the non-receipt of any such notice, notification or document by any member or other person entitled to receive the same, shall not invalidate the proceedings at, or any resolution passed at, any meeting.

20 **Venue of meetings**

General meetings of the association shall take place at such place as shall be determined by the directors from time to time. Provided however, that such a place shall be within the township of Prince's Grant. The members may, by simple majority, direct that the next annual general meeting of the association shall be held at such other place as the members may deem fit.

21 **Quorum**

- 21.1 No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. The quorum shall be such of the members entitled to vote, as together for the time being represent the votes of 50(Fifty) in number entitled to vote for the time being.
- 21.2 If within half an hour from the time appointed for the holding of a general meeting a 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 chairman of the meeting shall appoint, and if at such adjourned meeting a quorum is not present within half an hour from the time appointed of holding the meeting, the members present shall be a quorum.

22 **Agenda at meetings**

In addition to any other matters required by the Act of these presents to be dealt with at an annual general meeting, the following matters shall be dealt with at every annual general meeting:

- 22.1 the consideration of the chairman's report to the directors;
- 22.2 the election of directors;
- 22.3 the consideration of any other matters of which proper notice as directed by the Board was given including any resolutions proposed for adoption by such meeting, and the voting upon any such resolutions;
- 22.4 the consideration of the financial statements of the association for the last financial year of the association preceding the date of such meeting;
- 22.5 the consideration of the report of the auditors;
- 22.6 the noting of the levy [as referred to in article 102 above] for the financial year during which such annual general meeting takes place;
- 22.7 the consideration and fixing of the remuneration of the auditors for the financial year of the association preceding the annual general meeting.

23 **Procedure at general meetings**

- 23.1 The chairman shall preside as such at all general meetings, provided that should he not be present within 5 minutes after the time appointed for the holding thereof, then the vice-chairman, shall act as chairman at such meeting, provided further that should the vice-chairman also not be present within 5 minutes of the time appointed for the holding of such meeting, then the members present at such meeting entitled to vote, shall appoint a chairman for the meeting, who shall thereupon exercise all the powers and duties of the chairman in relation to such meeting.
- 23.2 Where a meeting has been adjourned as aforesaid, the Company shall, upon a date not later than 3 days after the adjournment, publish in a newspaper circulating in the province where the registered office of the Company is situated a notice stating:-
- (a) the date, time and place to which the meeting has been adjourned;
 - (b) the matter before the meeting when it was adjourned; and
 - (c) the ground for the adjournment.

24 Proxies

- 24.1 A member may be represented at a general meeting by a proxy, who need not be a member of the association. The instrument appointing a proxy shall be in writing signed by the member concerned or his duly authorised agent in writing, but need not be in any particular form, provided that where a member is more than one person, a majority or those persons shall sign the instrument appointing a proxy on such member's behalf. Where a member is a company the proxy may be signed by the chairman of the board of directors of that company or by its secretary, and where an association of persons, by the secretary thereof.
- 24.2 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 thereof shall be deposited at the office at least 4 hours before the time appointed for the commencement of the meeting, or adjourned meeting, at which the person named in the instrument proposes to vote unless the chairman otherwise directs. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution.
- 24.3 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy, provided that no intimation in writing of the death or revocation shall have been received by the directors at least 1 hour before the time fixed for the holding of the meeting.

25 Voting

At every general meeting:

- 25.1 Every member, in person or by proxy, and entitled to vote shall have 1 [one] vote for each unit or share block registered in his name;
- 25.2 In terms of article 3.3, Prince's Grant Lodge shall have 12 votes
- 25.3 If a unit or share block is registered in the name of more than one person, then all such co-owners shall jointly have 1 vote.
- 25.4 Save as expressly provided for in these presents, no person other than a member duly registered, and who shall have paid every levy and other sum, if any, which shall be due and payable to the association in respect of or arising out of his membership, and who is not under suspension, shall be entitled to be present or to vote on any question, either personally or by proxy, at any general meeting.
- 25.5 Unless the chairman of the meeting otherwise direct, all voting shall be in writing, by way of a secret poll, which shall be taken during the course of the meeting in such manner as the chairman of the meeting may direct.
- 25.6 Notwithstanding the provisions of article 25.5 above, voting on the election of a chairman 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.
- 25.7 Every resolution and every amendment of a resolution proposed for adoption by a general meeting, shall be seconded at the meeting and, if not so seconded, shall be deemed not to have been proposed.
- 25.8 Any ordinary resolution [that is a resolution other than a special resolution] or the amendment of an ordinary resolution, shall be carried on a simply majority of all votes cast thereon, and an abstention shall not be counted as a vote for or against the resolution in question. In the case of an equality of votes for an against any resolution, the resolution shall be deemed to have been defeated.
- 25.9 Unless any member present in person or by proxy at a general meeting shall before the closure of the meeting, have objected to any declaration made by the chairman of the meeting as to the result of any voting at the meeting, whether by show of hands or by poll, or to the propriety or validity of the procedure at such meeting, such declaration by the chairman shall be deemed to be a true and correct statement of the voting, and the meeting shall in all respects be deemed to have been properly and validly constituted and conducted, and an entry in the minutes to the effect that any motion has been carried or lost, with or without a

record of the number of votes recorded in favour of or against such motion, shall be conclusive evidence of the vote so recorded if such entry conforms with the declaration made by the chairman of the meeting as to the result of any voting at the meeting.

26 **Other professional officers**

Save as specifically provided otherwise in these articles, the directors shall at all times have the right to engage on behalf of the association, the services of accountants, auditors, attorneys, advocates, architects, engineers, estate managers, any other professional person or firm and/or any other employers whatsoever, for any reason deemed necessary by the directors and on such terms as the directors shall decide, subject to any of the provisions of these presents.

27 **Accounts**

27.1 The association in general meeting or the directors may from time to time make reasonable conditions and house rules as to the time and manner of inspection by the members of the accounts and books of the association, or any of them, and subject to such conditions and house rules, the accounts and books of the association shall be open to the inspection of members at all reasonable times during business hours.

27.2 At each annual general meeting the directors shall lay before the association a proper income and expenditure account for the immediately preceding financial year of the association, or in the case of the first account, for the period since the incorporation of the association, together with a proper balance sheet made up as at the last financial year end of the association. Every such balance sheet shall be accompanied by proper and extensive reports of the directors and the auditors and there shall be attached to the notice sent to members convening each annual general meeting, as set forth in article 19 above, copies of such accounts, balance sheet and reports all of which shall be framed in accordance with the provisions of the Act and of any other documents required by law to accompany the same.

28 **Audit**

28.1 Once at least in every financial year the accounts of the association shall be examined and the correctness of the income and expenditure account and balance sheets ascertained by the auditors.

28.2 The duties of the auditors shall be regulated in accordance with the Act.

29 **Service of notices**

29.1 A notice may be served by the association upon any member, either personally 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 association 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 association in writing of any such address, at the address of any unit owned by him, provided that copies of all notices sent to members shall be sent to the mortgagee [if any] of that member's unit.

29.2 Any notice, if served by post, shall be deemed to have been served on the day but four following that on which the letter containing the same was put into the post, and in proving such service it shall be sufficient to prove that the letter containing the notice was properly addressed and put into the Post Office as a prepaid registered letter.

30 **Indemnity**

30.1 All directors, the auditors and the CEO shall be indemnified out of the funds of the association against any liabilities *bona fide* incurred by them in their respective said capacities, and in the case of a director, in his capacity as chairman, vice-chairman, whether defending any proceedings, civil, criminal or otherwise, or in connection with any application under Section 248 of the Act, in which relief is granted to any such person/s by the court.

30.2 Every director, every servant, agent and employee of the association, the CEO, and the auditors shall be indemnified by the association against, and it shall be the duty of the directors out of the funds of the association to pay, all costs, losses and expenses [including traveling expenses] which such person or persons may incur or become liable for by reason of any contract entered into, or any act or deed done, by such person or persons in the discharge of any of his/their respective duties, including in the case of a director, his duties as chairman or vice-chairman. Without prejudice to the generality of the above, the association shall specifically indemnify every such person against all losses of whatsoever nature incurred arising out of any *bona fide* act, deed or letter done or written by him jointly or severally in connection with the discharge of his duties, provided that any such act, deed or letter has been done or written in good faith.

30.3 A director shall not be liable for the acts, receipts, neglects or defaults of the auditors or of any of the other directors, whether in their capacities as directors or as chairman or vice-chairman or for any loss or expense sustained or incurred by the association through the insufficiency or deficiency of title to any property acquired by the directors for or on behalf of the association or for the

insufficiency or deficiency of any security in or upon which any of the monies of the association shall be invested, or for any loss or damage arising from the insolvency or tortuous act of any person with whom any monies, securities or effects shall be deposited, or for any loss or damage occasioned by any error of judgment or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of any of the duties of the office or in relation thereto, unless the same shall happen through lack of *bona fides* or breach of duty or breach of trust.

31 **General**

- 31.1 The association may at its pleasure permit the members subject to the provisions of these presents to use the open space and roads, and shall do so unless by special resolution taken at an extraordinary general meeting called for the purpose, it is otherwise resolved.
- 31.2 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 such roads and open space.
- 31.3 The directors shall take such measures as are necessary to ensure that the general public, with the exception of members, their guests, lessees, and members of their families and such other persons as the directors may reasonably permit, are excluded from the township. No resolution to alter the terms of this article shall be taken unless simultaneously with the taking of such resolution, a resolution is taken to widen and reconstruct the roads to such specification as may comply with the standard requirements of the local authority.
- 31.4 No resolution for the winding-up of the association and the transfer of its assets as set out in paragraph 6.2 of the Memorandum of Association shall be taken unless the association shall have made adequate provision for the rights of members to obtain access to their units and their rights of exclusive use of any areas to be safeguarded, it necessary, by registration of servitudes at the cost of the member concerned if the member so required.
- 31.5 Notwithstanding that lots and share blocks may be held either individually or in undivided shares by members, members shall be obliged at all times to allow any persons lawfully within the private township of Prince's Grant access over any lot by means of any formed or paved access way including driveways, parking areas and pathways.
- 31.6 Notwithstanding that members hold title to their units individually, and notwithstanding that in those cases where the units concerned are held under the Sectional Titles Act, the body corporate as defined in that Act is accorded certain powers and duties, it is recorded that the development of the township is of a homogeneous nature and that the association shall be vested with the overall control of all matters affecting the township. To this end the members agree:-
- 31.6.1 To do all in their power to procure that the body corporate in each sectional title development, shall delegate its powers and duties to the association;
- 31.6.2 In the event of any associations of members being formed within the township, specifically for owners of certain lots or certain classes of members, the members forming such association hereby agree to do all in their power to procure that the powers and duties of any such association are delegated to this association;
- 31.6.3 The association may in turn delegate the powers and duties delegated to it in terms of article 31.6.1 and 31.6.2 above to such other person or association as it may deem fit;
- 31.7 Subject to the provisions of the Town Planning Scheme and the building regulations, no member nor body corporate in whom any common property is vested may, without the written consent of the building committee:-
- 31.7.1 change the colour of the exterior walls of the unit or building concerned, nor the colour of the exterior at the doors and window frames thereof, nor any fixture or fitting excluding however door and window handles, locks, knockers and similar ornaments upon the exterior thereof;
- 31.7.2 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 at the same nature and of similar appearance;
- 31.7.3 to make any additions or extensions to the unit or buildings or to erect any further buildings or structures or fences whether of a temporary or permanent nature upon any land vested in him in the township;
- 31.7.4 to remove any fixtures, fittings, doors, windows nor to demolish any portion of the exterior of any unit or building;
- 31.8 in the event of the destruction of any cluster unit, and the owner thereof deciding to rebuild such unit, the plans for such rebuilding shall prior to such rebuilding taking place, be submitted to the association, which shall within 21 days of such submission to it, submit any comments which it may have in connection therewith to the town planning committee and the local authority

- 31.9 No member may undertake any planting, landscaping or gardening activities in any residential lot, or make any alterations to any landscaping or vegetation existing when he acquires his unit, provided however that the directors may come to agreements with members to permit such members to undertake gardening activities in any area of any residential lot. which agreements shall *inter alia* lay down:
- 31.9.1 the areas to which they relate;
 - 31.9.2 the nature of the gardening activities which may be carried on therein;
 - 31.9.3 the plant materials and types approved by the association as being compatible with the environment which may be used and the locations in which they may be planted;
- 31.10 Notwithstanding that portions or the whole of residential lots may be held in undivided shares by any members, the directors shall have power to allocate for the exclusive use of any single member owning an undivided share in the lot concerned, in respect of each unit or share block held by him;
- 31.10.1 areas which shall not in the aggregate exceed fifty square metres for purposes of a carport and drying yard;
 - 31.10.2 a storeroom;
 - 31.10.3 staff quarters for a single servant; provided however that the directors may allocate the exclusive use of staff quarters on any lot to any owner of a unit or share block in the township, notwithstanding that such quarters are not upon the lot in which such owner owns an undivided share, subject however to any restrictions contained in any deed of servitude or agreement in terms whereof the association is empowered to grant such exclusive use;
 - 31.10.4 any other area, facility or amenity which the directors in their discretion may deem it reasonable or desirable so to allocate. Such areas need not be contiguous to the unit of the member concerned, nor to one another;
 - 31.10.5 the directors may further allocate for the exclusive use of the developer all and any areas which it could in terms of this article allow for the exclusive use of members.
 - 31.10.6 The directors may in allocating areas set out in 31.10 above, lay down conditions regarding the maintenance and use of such areas.
 - 31.10.7 The association may at all times enforce and give effect to all the terms and conditions of any such exclusive use agreements, both as between itself and the member concerned, and as between the member concerned and any other person. The CEO may at any time remove any person from any area set aside for the exclusive use and enjoyment of any member unless such member advises the CEO that such person is entitled to be within such area
- 31.11 Nothing contained in article 31.7 above shall be construed as preventing the association from:
- 31.11.1 building upon any lots owned by it, any buildings of whatsoever nature which it may be entitled to erect in terms of the Town Planning Scheme, and as may be approved by the local authority,
 - 31.11.2 erecting upon the land owned by the association such improvements as may be permitted in terms of the town planning scheme and approved by the local authority;
- 31.12 In addition to such other powers as may be conferred upon it by the directors, the building committee shall have power, without prejudice to any other rights of the association, either in terms of these presents or at law -
- 31.12.1 whenever it considers that the appearance of any unit or building or of any land vested in a member or members is such as to be unsightly or injurious to the amenities of the surrounding area or the township generally, to serve notice on such member or members to take such steps as may be specified in the notice to eliminate such unsightly or injurious condition.
- In the event of the owner failing to make the necessary repair within 30 days of the written notice referred to above, the CEO shall be empowered to fix such repair himself and to recover the cost either from such owner direct or from the association, in which event, the association may recover such costs from the owner concerned either by way of the levy or otherwise as it may deem fit. In the case of buildings owned under the Sectional Titles Act, the CEO shall, without notice, effect the necessary repair and recover the cost of so doing from the association which shall then be entitled to recover the cost from the unit owner concerned.
- 31.12.2 To determine the routine maintenance requirements of the exterior of each and every building within the township and to instruct the CEO to attend to such requirements from time to time. The members hereby agree that the CEO shall be entitled whenever the committee decides such routine maintenance is required. to proceed therewith and to recover the costs thereof from the association which shall in turn recover the costs thereof by way of a levy from the member concerned.

- 31.13 The directors may, notwithstanding the above, enter into an agreement with any member in relation to the maintenance of any land or unit to permit such maintenance to be performed by the member concerned himself, subject to such conditions as the directors may deem fit.
- 31.14 The maintenance of services and the open space shall be controlled by the Board.
- 31.15 For purposes of exercising its functions in terms hereof the Board, or any of its members and the CEO or his representative shall be entitled to access to any unit and to the surrounds thereof at all reasonable times.
- 31.16 Where any unit is owned by more than one person, whether the same be a freehold or shareblock unit, the co-owners concerned shall elect one of their number as the liaison officer for the unit concerned, and shall notify the association of the name and address of such liaison officer. Any notices which may be required to be given in respect of such unit, regarding the appearance or maintenance or repair thereof shall be given to the liaison officer and service upon such liaison officer shall be deemed for purposes of these articles to have been service upon the member. In the event of the co-owners failing to elect a liaison officer as aforesaid, service of notice upon any one of the co-owners shall be deemed to be service upon all the co-owners.
- 31.17 Any notice required to be served upon any body corporate shall be deemed to have been properly served if served in terms of article 29 above at the address given as the *domicilium citandi et executandi* of that body.
- 31.18 There shall be established in terms of article 16.6 above, an amenities committee which shall consist of 2 directors and the CEO.
- 31.19 The amenities committee shall have control of all sporting, social and recreational facilities and amenities within the township, excluding the golf course, and may lay down such rules as it may consider necessary from time to time for the use of any such amenities by members, including the charging of such fee as it may deem reasonable for the use thereof.
- 31.20 The amenities committee may establish or permit the establishment of clubs or associations of members to control and regulate the use of any sporting, social and recreational facilities, and may delegate to the committees of such clubs any or all of its functions, powers and duties in relation to the particular facility or amenity concerned as it may deem fit.
- 31.21 In the event of any unit being owned in undivided shares by more than one owner on the basis that each owner of an undivided share shall be entitled to occupy the unit for a particular period in each year, the directors shall cause to be kept a register of the name of each co-owner and the period during the year in which he is entitled to occupy the unit. Without prejudice to any of the rights of the co-owners *inter se*, in the event of any co-owner occupying any such unit in any period during which he is not entitled to be in occupation thereof, without the consent in writing of the co-owner so entitled, the CEO shall be entitled summarily and without recourse to law to eject the co-owner in wrongful occupation and to put into occupation of the unit the person entitled thereof.
- 31.22 No member shall transfer his unit until the CEO has certified that the members have at date of transfer fulfilled all his financial obligations to the association.
- 31.23 A member may not transfer a unit or an undivided share therein owned by him, without the consent of the association. Such consent shall not be withheld unless:
- 31.23.1 such member is indebted to the association in any way in respect of levies or other amounts which the association may in terms or these presents be entitled to claim from him;
- 31.23.2 such proposed transferee has not agreed to become a member of the association;
- 31.23.3 in those cases where units are owned jointly and subject to an arrangement whereby the co-owners are entitled to occupy the unit at particular times during the year, the association is not satisfied that the transferee of an undivided share in the unit is aware of such arrangements and has bound himself to abide thereby.
- 31.24 Before his unit or share block is transferred, a member who has sold same shall pay to the association an amount determined by the directors to cover the administration expenses of the association in respect of the transfer. Until varied by the directors, the amount shall be R500,00.
- 31.25 When a member wishes to sell his unit and such member make use of an Estate Agent, he shall only make use of the services of an Estate Agent accredited by the association.
- 31.26 No "For Sale" signs or "Sold signs may be erected on any lot or unit.
- 31.27 The provisions of these articles shall be binding upon all members, and insofar as they may be applicable, to all persons occupying any unit by, through or under any member, whatever the nature of such occupation.

31.28 The powers of the committees established in terms of article 37 above, and the powers of the directors, and the powers of the association generally may be delegated to the CEO 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 for the conditions of such delegations changes as the directors may from time to time deem fit. If a CEO be appointed, such CEO shall be obliged to take out fidelity insurance to the satisfaction of the directors for all moneys held by the CEO on behalf of the association from time to time. If there be no CEO then all references to the CEO in these presents relating to the constitution of committees of directors, shall be deemed to be a reference to an additional director as member of the committee concerned, and all other references to the CEO shall be deemed to be a reference to the directors, or committee, or persons appointed by them for the purpose concerned.

32 Golf Committee

- 32.1 There shall be established, under Article 16.6 hereof, a golf committee, which shall consist of 5 members, appointed by the Board of Directors. The Board of Directors shall appoint the 5 golf club committee members, elected at the Annual General Meeting of Prince's Grant Golf Club, which meeting shall be held annually during the week prior to the Annual General Meeting of the Association.
- 32.2 The members of Prince's Grant Golf Club shall, at the Annual General Meeting of Prince's Grant Golf Club, elect 5 committee members, who shall include the Golf Captain, the Vice-Captain and a lady Captain, together with two additional members.
- 32.3 The Golf Captain shall, in accordance with the provisions of Article 23, as amended, be a member of the Board of Directors of the Association.
- 32.4 The duties and responsibilities of the Golf Committee shall be:
- 32.4.1 Compile annual fixtures list
 - 32.4.2 Approval of annual budget for golf club – prior to presentation and approval of budget by the Board of directors
 - 32.4.3 Approval of annual Capital expenditure for the golf club – prior to presentation and approval by the Board of directors
 - 32.4.4 Monitor golf club income and expenditure on a monthly basis
 - 32.4.5 Promote the golf course, ensure discipline on the course, communicate with the members regarding golf matters
 - 32.4.6 Advise management and the Board of directors regarding the setting of playing fees
 - 32.4.7 The golf captain to liaise with management regarding all golf issues; management to attend all golf committee meetings
 - 32.4.8 Approval of sponsorship and course advertising proposals.

33 Custodian's Committee

- 33.1 There shall be established, under Article 16.6 of these Articles, a Custodian's Committee, the aims, objects, duties and responsibilities of which, are set out in Article 33.5 below.
- 33.2 The committee shall comprise of the officials of the Prince's Grant Golf Club, namely, the President, the Golf Captain, the immediate past Golf Club Captain and a lady nominated by the Board of the Association, who shall be a member of Prince's Grant Golf Club. In addition to the above members, there shall be a representative of the Board of Directors of the Association, a nominee of the Board of Directors of the Association, who need not necessarily be a member of the Association but shall be appointed by the Board, after consultation with the Golf Committee. Such person shall be chosen because of his or her special knowledge of golf courses and/or golf course architecture and/or golf course maintenance.
- 33.3 The Custodian's Committee shall be entitled to co-opt 2 additional members onto the committee, who need not necessarily be members of the Association but who shall have a special knowledge of golf courses and/or golf course architecture and/or golf course maintenance.
- 33.4 At all times the majority of the committee shall be members of the Association.
- 33.5 The aims, objectives and purposes of the Custodian's Committee are to ensure that the integrity of the golf course at Prince's Grant is maintained and in doing, to honour the following principles:
- 33.5.1 that the course retains and develops the character of a KwaZulu-Natal coastal golf course, which, in time, must be seen to have been hewn out of the natural coastal bush. (It is noted that in considering what a natural KwaZulu-Natal coastal course is, reference should be made to the Durban Country Club's first 5 holes);
 - 33.5.2 that the Committee acknowledges that the 8th, 9th, 10th and 11th holes have a unique links character about them and that the Committee shall ensure that these aspects are protected and enhanced, where possible;
 - 33.5.3 that the golf course maintains a natural feel to it and that man-made features do not detract from the natural setting of the golf course and its surrounds. When man-made features are built, such features shall be built in a way to complement the golf course and the estate;
 - 33.5.4 that the Committee shall at all times strive to ensure that the golf course is maintained and developed with the objective of being one of the top 20 golf courses of South Africa;
 - 33.5.5 That the Committee strives to ensure that the golf course is continually upgraded and/or improved, so as to keep pace with

advancements in golf course architecture and modern maintenance methods and standards.

33.6 No changes to the golf course shall be made by the Association or the Golf Committee without first obtaining the approval of the Custodian's Committee and the Board of Directors.

33.7 The Custodian's Committee shall meet not less than twice per annum and shall submit an annual report to the Board, for consideration.

34 Levy Stabilisation Fund

34.1 The directors of the Association shall set up a fund to be known as the Levy Stabilisation Fund.

Upon the sale and transfer of any property at Prince's Grant, an amount of 1% of the selling price, shall be payable by the Estate Agent who was the effective cause of the sale, to the Association, to be retained in a Levy Stabilisation Fund, to be managed by the Board of Directors of the Association. In the case of sales which are concluded without the services of an Estate Agent, the transferor will pay the 1%.

34.2 Prior to the issue by the Association of a clearance certificate in accordance with Article 31.22 hereof, the conveyancer attending to the transfer of any property at Prince's Grant, shall lodge with the Association, a guarantee or undertaking acceptable to the Association, for the payment of 1% of the purchase price upon registration of transfer of any property from a member to the purchaser and the said amount will be deducted from the Estate Agent's commission or the proceeds due to the transferor as the case may be.

34.3 The purpose of the Levy Stabilisation Fund will be to provide for capital replacement of the services, such as roads, storm water, sewerage, water reticulation, irrigation and such other capital items as the directors may deem necessary from time to time.

35 Operating of Businesses at Prince's Grant

35.1 No member or person may operate any business on any property on the estate:

35.1.1 which is not in accordance with the Prince's Grant Town Planning Scheme; and

35.1.2 to which the Board of Directors of the Homeowners' Association has not first granted consent.

35.2 In the event of any person or member currently operating or in future wanting to operate as an estate agent at Prince's Grant, then such person shall, prior to commencement of business, agree to be bound by the terms and conditions of the code of ethics of the Association relating to estate agents. Should an estate agent breach such terms and conditions, then the Board of Directors of the Homeowners' Association shall be entitled to withdraw their right to sell property at/or from Prince's Grant.

35.3 Only accredited agents may sell property at Prince's Grant.

36 Acquisition of properties at Prince's Grant by the Association

In the event of the Homeowners' Association purchasing any property at Prince's Grant, the Association shall be entitled to take transfer of such property and to re-sell it for the benefit of the Association.