

MARINA POINT - HOMEOWNERS ASSOCIATION
(SUBDIVISION OF ERF 741, LAAIPLEK)

CONSTITUTION

1. DEFINITIONS

In this constitution and unless inconsistent with the context the following words and expressions shall have the meanings hereby assigned to them:

- 1.1 **ALIENATE** means alienate any **ERF / UNIT** or part thereof and includes by way of sale, exchange, donation, deed, intestate succession, will, cession, assignment, court order, insolvency or liquidation, irrespective of whether such alienation is subject to a suspensive or resolute condition and **ALIENATION** shall have a corresponding meaning.
- 1.2 **ASSOCIATION** means the **Marina Point Homeowners Association** (Subdivision of Erf 741, Laaiplek), which is bound by the provisions of this **CONSTITUTION**.
- 1.3 **AUDITORS** means the auditors of the **ASSOCIATION**.
- 1.4 **CHAIRMAN** means the Chairman appointed by the **TRUSTEES**.
- 1.5 **CONSTITUTION** means this document with the annexures hereto.
- 1.6 **COMMON AREA** means Portion 26 of the proposed Town House Scheme subdivision layout, but does not include the three sectional title units above the garage.
- 1.7 **DEVELOPER** means **Absolutely Estates Limited (Reg. No. 1967/003043/06)**, a company duly registered as a South African company.
- 1.8 **DEVELOPER TRUSTEE** means a trustee appointed by the DEVELOPER.
- 1.9 **DEVELOPMENT** means certain immovable property being the **Erf 741, Laaiplek** which is to be subdivided into a township to be known "**MARINA POINT**" in accordance with approval obtained from the **LOCAL AUTHORITY** and includes all/any extension/s of the township approved by the **LOCAL AUTHORITY** upon application by the **DEVELOPER** and the improvements built on the **ERVEN** comprising the township.

- 1.10 **ERF** means every ERF in the **DEVELOPMENT** which in terms of the subdivision of the **DEVELOPMENT** enjoys Residential Zone III use rights.
- 1.11 **ERVEN** means every ERF in the **DEVELOPMENT** collectively and includes immovable property transferred or to be transferred in accordance with the provisions hereto to the **ASSOCIATION**.
- 1.12 **LEVY** means the levy referred to in clause 14 hereof.
- 1.13 **LOCAL AUTHORITY** means the local authority having jurisdiction over the **DEVELOPMENT** which is the **Berg River Municipality**.
- 1.14 **LUPO** means the Land Use Planning Ordinance No.15/1985 (as amended) and includes any substituted legislation.
- 1.15 **MANAGING AGENT** means any person or body appointed by the **ASSOCIATION** as an independent contractor to undertake any of the functions of the **ASSOCIATION**.
- 1.16 **MEMBER** means every registered **OWNER** of an **ERF / UNIT**. If a **MEMBER** consists of more than one person such persons shall be jointly and severally liable in solidum for all obligations in terms of this **CONSTITUTION**.
- 1.17 **MEMBER TRUSTEE** means a trustee appointed by the **MEMBERS**.
- 1.18 **OWNER** means the registered **OWNER(S)** of an **ERF / UNIT**.
- 1.19. **RESOLUTION** means a resolution passed at an annual general meeting or any other general meeting of the **ASSOCIATION** by an ordinary majority of the total votes represented at such meeting by members present in person or by proxy.
- 1.20 **TRUSTEES** means the **DEVELOPER TRUSTEES** and the **MEMBER TRUSTEES** of the **ASSOCIATION**, collectively from time to time and includes alternate and co-opted **TRUSTEES**.

- 1.21 **UNIT** means every **SECTIONAL TITLE UNIT** in the **DEVELOPMENT** created in terms of the subdivision of the **DEVELOPMENT** and enjoys Residential Zone IV use rights.
- 1.21 **VOTING RIGHT** means one voting right per ERF / UNIT owned by each owner whether such ERF/ UNIT is owned by one person or jointly with other persons.

2. INTERPRETATION

- 2.1 The clause headings are for convenience and shall be disregarded in construing this **CONSTITUTION**.
- 2.2 Unless the context clearly indicates a contrary intention
- 2.2.1 the singular shall include the plural and vice versa and
- 2.2.2 a reference to any one gender shall include the other genders; and
- 2.2.3 a reference to natural persons includes legal persons and vice versa.
- 2.3 Words and expressions defined in any sub-clause shall, for the purpose of the clause to which that sub-clause forms part and in subsequent clauses, unless inconsistent with the context, bear the meaning assigned to such words and expressions in such sub-clause.
- 2.4 When any number of days is prescribed in this **CONSTITUTION**, the same shall be reckoned exclusively of the first and inclusively of the last day unless the last day falls on a Saturday, Sunday or proclaimed public holiday in the Republic of South Africa, in which event the last day shall be the next succeeding day which is not a Saturday, Sunday or public holiday.
- 2.5 Where figures are referred to in words and in numerals, if there is any conflict between the two, the words shall prevail.
- 2.6 If any provision of this **CONSTITUTION** is in conflict or inconsistent with any Law, the invalidity of any such provision shall not affect the validity of the remainder of the provisions of this **CONSTITUTION**.
- 2.7 If any provision in a definition in this **CONSTITUTION** is a substantive provision conferring rights or imposing obligations on any of the **MEMBERS** then, notwithstanding that it is only in the definition clause of this **CONSTITUTION**, effect shall be given to it as if it were a substantive provision in the body of this **CONSTITUTION**.

- 2.8 The annexures to this **CONSTITUTION** are deemed to be incorporated in and form part of this **CONSTITUTION**.

3. RECORDAL

- 3.1 The **LOCAL AUTHORITY** when approving the application for subdivision to allow for the **DEVELOPMENT** imposed a condition in terms of section 29(1) of **LUPO** whereby the **OWNER** of each subdivided portion of the immovable property comprising the **DEVELOPMENT** and all successors in title shall be members of a homeowners association in respect of the **DEVELOPMENT**.
- 3.2 The **DEVELOPER** is desirous of regulating and controlling harmonious development of the **DEVELOPMENT**.

4. COMMENCEMENT DATE

The **ASSOCIATION**, as contemplated in terms of section 29 of **LUPO**, will come into existence simultaneously with the first registration of transfer of an **ERF / UNIT** from the **DEVELOPER** to an **OWNER**.

5. STATUS

- 5.1 The **ASSOCIATION** shall
- 5.1.1 have **legal personality** and be capable of suing and being sued in its own name; and
 - 5.1.2 not operate for profit but for the benefit of the **MEMBERS**.
- 5.2 No **MEMBER** in his personal capacity shall have any right, title or interest in the funds or assets of the **ASSOCIATION TRUSTEES**.

6. OBJECTS

The **ASSOCIATION** shall have as its objects:

- 6.1 the matters referred to in section 29(2)(b) and (c) of **LUPO** and without detracting from the generality thereof to ensure compliance with the conditions of subdivision imposed by the **LOCAL AUTHORITY** when approving the **DEVELOPMENT** and, more specifically

- 6.1.1 to oversee, maintain and control the **DEVELOPMENT**;
- 6.1.2 ensure the general good standard of the **DEVELOPMENT**;
- 6.1.3 generally to promote, advance and protect the **DEVELOPMENT** and the interests of the **ASSOCIATION**.
- 6.2 the regulation and control of harmonious development of the **DEVELOPMENT**.
- 6.3 to promote a good standard of **IMPROVEMENTS** on the **DEVELOPMENT**.
- 6.4 to ensure that any alterations or improvements fit in and comply with the general aesthetics of the **DEVELOPMENT**.
- 6.5 to control the transfer of **ERVEN / UNITS** in the **DEVELOPMENT** and the conditions imposed by the **LOCAL AUTHORITY** and conditions imposed by the **DEVELOPER** in the Agreement of Sale between the **DEVELOPER** and the first **OWNER** of an **ERF / UNIT** and the **ASSOCIATION** shall have the power to do all such acts as are necessary to accomplish the fulfilment of the foregoing objects including, but not restricted, to powers specifically contained in this **CONSTITUTION**.
- 6.6 to control, maintain and upkeep the **COMMON AREA** and any improvements thereon.

7. MEMBERSHIP

- 7.1 The **ASSOCIATION** shall have as its **MEMBERS**
 - 7.1.1 the **DEVELOPER** for as long as the **DEVELOPER** remains an owner of any portion of the **DEVELOPMENT** and, without detracting from the generality of the foregoing, specifically including any **ERF / UNIT**. The **TRUSTEES**, however, shall endeavour at all times to ensure that such expenditure is kept to a minimum so as to avoid unnecessary increases in any levies payable.
 - 7.1.2 every **OWNER** upon registration of transfer of an **ERF / UNIT** into his name provided that where an **OWNER** comprises more than one person, such persons shall be deemed jointly to be one **MEMBER** of the **ASSOCIATION**, and shall be responsible jointly and severally for the obligations of such membership.

- 7.2 An OWNER of an **ERF / UNIT** shall be a member of the **ASSOCIATION** until he ceases to be the registered owner of such **ERF / UNIT**.
- 7.3 When a **MEMBER** ceases to be the registered owner of an **ERF / UNIT** he shall ipso facto cease to be a **MEMBER of the ASSOCIATION**.

8. MEMBERS OBLIGATIONS

- 8.1 Every **MEMBER** is obliged to comply with
- 8.1.1 the provisions of this **CONSTITUTION** and all rules or regulations passed by the **ASSOCIATION** or the **TRUSTEES**;
 - 8.1.2 any agreement concluded by the **ASSOCIATION** insofar as such agreement may directly or indirectly impose obligations on a **MEMBER**;
 - 8.1.3 any directive given by the **ASSOCIATION** and/or the **TRUSTEES** in enforcing the provisions of this **CONSTITUTION**.
- 8.2 The rights and obligations of a **MEMBER** are not transferable and every **MEMBER** shall
- 8.2.1 to the best of his ability, further the objects and interests of the **ASSOCIATION**;
 - 8.2.2 observe all directives made or given by the **ASSOCIATION** and/or the **TRUSTEES**.
- 8.3 The **MEMBERS** shall be jointly liable for expenditure incurred in connection with the **ASSOCIATION** as more fully later referred to herein.
- 8.4 A **MEMBER** shall not be entitled to **ALIENATE** or transfer an **ERF / UNIT** without the written consent of the **DEVELOPER** for as long as the **DEVELOPER** is a **MEMBER** and, thereafter, by the **TRUSTEES** which consent shall not be unreasonably withheld provided there has been compliance with the provisions of this **CONSTITUTION** and payment of any levies outstanding.
- 8.5 A **MEMBER** shall not consolidate an **ERF / UNIT** with one or more erven / units without the written consent of the **DEVELOPER** for as long as the **DEVELOPER** is a **MEMBER** and, thereafter, of the **TRUSTEES**.
- 8.6 A **MEMBER** shall not **ALIENATE** an **ERF / UNIT** unless:

- 8.6.1 the proposed transferee has irrevocably bound himself to become a member of the **ASSOCIATION** and to observe the **CONSTITUTION** for the duration of his ownership of the **ERF / UNIT**;
- 8.6.2 the proposed transferee has irrevocably bound himself to become a member of the Marina Point Homeowner's Association and to observe the Constitution of the said Association for the duration of his ownership of the **ERF / UNIT**.
- 8.6.2 the **ASSOCIATION** has issued a clearance that all amounts owing to the **ASSOCIATION** by such **MEMBER** have been paid and that the **MEMBER** is not in breach of any of the provisions of this **CONSTITUTION**;
- 8.6.3 the proposed transferee acknowledges that upon the registration of transfer of the **ERF / UNIT** into his name, he shall ipso facto become a **MEMBER** of the **ASSOCIATION**.
- 8.7 No **MEMBER** shall let or otherwise part with the occupation of his **ERF / UNIT** whether temporarily or otherwise unless the proposed occupier has agreed to be bound by this **CONSTITUTION**. The **MEMBER** shall, nonetheless, remain bound by this **CONSTITUTION** and is required to ensure compliance therewith by such occupier.
- 8.8 A **MEMBER** may not resign from the **ASSOCIATION**.

9. ALTERATIONS AND RENOVATIONS

- 9.1 A **MEMBER** shall not be entitled to effect any alterations or structural renovations on the property unless such alterations or structural renovations have been approved in writing by the **DEVELOPER** for as long as the **DEVELOPER** owns an **ERF / UNIT** and thereafter approved in writing by the **TRUSTEES**.
- 9.2 The **DEVELOPER** and/or the **TRUSTEES** shall be entitled to withhold such consent unless such alterations and renovations comply with all the requirements of the Local Authority Bye-Laws and Building Regulations and in addition, conform to the general appearance and aesthetics of the **DEVELOPMENT**.
- 9.3 The **ASSOCIATION** shall also be entitled to withhold approval subject to compliance with such modifications or amendments as the **ASSOCIATION** deems necessary.

- 9.4 The reasonable cost of the HOA connected with the perusal of the plans shall be borne by the Purchaser. The Purchaser shall not be entitled to deviate from any plan approved by the **TRUSTEES** unless he has obtained the **TRUSTEES** prior written approval for any proposed deviation.
- 9.5 In approving any alterations or structural renovations, the **TRUSTEES** shall also have regard to any adverse effects that such alterations or renovations may have on adjoining neighbours of the property.

10. FURTHER OBLIGATIONS OF MEMBERS

Each **MEMBER** shall

- 10.1 maintain in a neat and tidy condition and in a state of good repair all **IMPROVEMENTS** on his **ERF / UNIT**;
- 10.2 establish and maintain a garden according to a standard acceptable to the **TRUSTEES**, as well as maintaining the road verge bordering his ERF;
- 10.3 be responsible for the maintenance of external and boundary walling inclusive of regular painting thereof;
- 10.4 not erect or permit the erection of any advertising boards on any **ERF** or on /near any **UNIT** without the written approval of the **DEVELOPER** for as long as the **DEVELOPER** is a **MEMBER** and, thereafter, of the **TRUSTEES**;
- 10.5 adequately insure the **IMPROVEMENTS** on his **ERF / UNIT** and, if requested by the **TRUSTEES**, furnish proof of such insurance to them and, in the event of total/partial destruction, he shall, within a reasonable time period, make good such damage or reconstruction in accordance with the original approved plans or, in the event of total destruction in accordance with the **GUIDE**;
- 10.6 where the erection of structures to house animals or birds or the construction/erection of garden/tool shed/s is permitted, such structures shall be screened from public view and the animals or birds so housed shall not constitute a disturbance or nuisance to **MEMBERS** or their tenants or occupiers and the **TRUSTEES** shall, in their absolute discretion, be entitled to require the permanent removal from the **DEVELOPMENT** of any animals or birds which, in the opinion of the **TRUSTEES**, constitute a disturbance or nuisance.
- 10.7 comply with all security procedures implemented from time to time;

- 10.8 ensure that his dog is kept on a leash in all open areas within the **DEVELOPMENT** and is controlled to ensure that other dogs are not interfered with and, in particular, that no nuisance is caused by such dog and that the dog does not cause uncleared fouling of sidewalks within the **DEVELOPMENT** or on open spaces within the **DEVELOPMENT**;
- 10.9 ensure that he and his invitees do not damage or destroy trees, vegetation and landscaping on open areas of the **DEVELOPMENT** and that planting on his **ERF** does not interfere with pedestrian traffic or obscure the vision of motorists;
- 10.10 comply with any conduct rules imposed by the **ASSOCIATION** on its **MEMBERS** from time to time in terms of this Constitution.

11. RESTRICTIONS

- 11.1 No **MEMBER** shall apply for the rezoning of his **ERF / UNIT** with a view to procuring a variation or amendment or substitution of use rights and shall not be entitled to use his **ERF / UNIT** for any purpose other than the permitted use applicable upon establishment of the **DEVELOPMENT**.
- 11.2 No **MEMBER** shall conduct any business on an **ERF / UNIT** or use such **ERF / UNIT** for purposes other than residential purposes unless the **TRUSTEES** have, in writing, approved the use to which the **ERF / UNIT** is to be put; and the **LOCAL AUTHORITY** has, to the extent that it may be necessary, granted approval authorising such use in terms of applicable laws and regulations and there has been compliance with the following:
- 11.2.1 any **MEMBER** wishing to conduct a business on his **ERF / UNIT** or who wishes to use his **ERF / UNIT** for purposes other than residential, shall apply in writing to the **TRUSTEES** for permission to do so. The **TRUSTEES** shall be entitled in their absolute discretion to refuse such application or to approve the application unconditionally or to approve the application subject to such conditions as the **TRUSTEES** deem necessary.
- 11.2.2 An application in terms of the foregoing shall contain a full description of the proposed business or usage, including but not limited to:
- 11.2.2.1 the type of business;
- 11.2.2.2 the number of full time and/or part time staff;

- 11.2.2.3 the times and duration of the business operation, including the number of days per week;
 - 11.2.2.4 the projected growth of the business operation;
 - 11.2.2.5 whether any alteration to the existing **IMPROVEMENTS** is proposed;
 - 11.2.2.6 in which portion of the **IMPROVEMENTS** the business activity is to be located;
 - 11.2.2.7 the number and type of vehicles which will be regularly involved in the business operation;
 - 11.2.2.8 the estimated number of visitors per week resulting from the business operation;
 - 11.2.2.9 the estimated number of deliveries necessitated by the business operation;
 - 11.2.2.10 what provision is to be made for parking;
 - 11.2.2.11 the likely impact of the business operation on neighbouring properties and the neighbourhood in general;
- 11.2.3 The TRUSTEES shall not approve any such application unless they are satisfied that the application complies with the following:
- 11.2.3.1 the business operation will not detrimentally alter the character of the neighbourhood or affect the privacy and rights of neighbours;
 - 11.2.3.2 the number of employees involved in the running of the business operation will not exceed 2 (two);
 - 11.2.3.3 the **MEMBER** will reside permanently on the **ERF / UNIT** in respect whereof the application is made;
 - 11.2.3.4 **MEMBERS** who are affected by the application are in agreement therewith;
 - 11.2.3.5 adequate provision has been made for parking within the **ERF** and the landscaping of the **ERF** will

be suitable for the type of business contemplated and that no parking of vehicles off the **ERF** within the **DEVELOPMENT** will result from the business operation;

11.2.3.6. the granting of the application will not have any significant effect on the density of traffic in the **DEVELOPMENT**;

11.2.3.7 non-residents will not be afforded uncontrolled access into the **DEVELOPMENT**;

11.2.3.8 no signage will be erected;

11.2.3.9 the hours of the business operation will be confined between 8h00 and 18h00 on weekdays and no business will be conducted on Saturdays, Sundays and proclaimed public holidays.

11.2.4 Should any **MEMBER** to whom permission has been granted for the conduct of a business change any aspect of such business then such **MEMBER** shall submit a fresh application in accordance with the provisions hereof to continue such business.

11.2.5 No **MEMBER** to whom approval has been granted shall be entitled to erect any sign or advertisement on his **ERF / UNIT** or on any of the common areas in the **DEVELOPMENT** in connection with such business save with the approval, of the **ASSOCIATION**.

11.3 No member shall permit the number of occupants of his **ERF / UNIT** to exceed (two) persons per bedroom. The word "occupants" shall include but shall not be limited to any person who resides or stays on such **ERF / UNIT** on a regular or occasional basis irrespective of whether such person is related to or is financially dependant upon the **OWNER** or whether such person pays rental or gives any other form of consideration in respect of such **ERF / UNIT** or any portion thereof.

12. LEVIES

12.1 The **TRUSTEES** shall

12.1.1 establish and maintain a levy fund for the purposes of meeting all expenses of the **ASSOCIATION** for the control, management

and administration of the **DEVELOPMENT** and for charges for the supply of any services required by the **ASSOCIATION** and/or for payment of all expenses necessary or reasonably incurred in connection with the management of the **ASSOCIATION**;

- 12.1.2 estimate the amount which will be required by the **ASSOCIATION** to meet its expenses during each year, together with such estimated deficiency, if any, as shall result from the preceding year and may include in such estimate an amount to be held in reserve to meet anticipated future expenditure not of an annual nature;
 - 12.1.3 require **MEMBERS** whenever necessary to make contributions to such fund for the purposes of satisfying the expenses referred to in clauses 12.1.1 and 12.1.2, equal as nearly as is reasonably practical to such estimated amount.
 - 12.1.4 The levy payable by the owner of any **ERF / UNIT** shall be the same as all other Erven / Units.
- 12.2 The **TRUSTEES** may, from time to time, make special levies upon **MEMBERS** effective from the date of passing of the applicable **RESOLUTION** in respect of such expenses referred to in clause 12.1 (which are not included in any estimate made in terms of clause 12.1.2) and such levies may be imposed and shall be payable in one sum or by such instalments and at such time or times as the **TRUSTEES** shall deem fit.
- 12.3 Any amount due by a **MEMBER** by way of a levy shall be a debt due by him to the **ASSOCIATION** payable within such time as determined by the **TRUSTEES**. The obligation of a **MEMBER** to pay a levy shall cease upon his ceasing to be a **MEMBER** save that he shall remain liable for all levies calculated up to the date upon which he ceases to be a **MEMBER**. No levies paid by a **MEMBER** shall be repayable by the **ASSOCIATION** upon his ceasing to be a **MEMBER**. A **MEMBER'S** successor in title to an **ERF / UNIT** shall be liable as from the date upon which he becomes a **MEMBER** pursuant to the transfer of such **ERF / UNIT** to pay the levies attributable to that **ERF / UNIT**. No **MEMBER** shall be entitled to transfer his **ERF / UNIT** until the **TRUSTEES** have certified that the **MEMBER** has, at the date of transfer, paid all amounts owing by him to the **ASSOCIATION**.
- 12.4 In calculating levies, the **TRUSTEES** shall take into account income, if any, earned by the **ASSOCIATION** and the allocation of voting rights to **MEMBERS** as recorded herein.

- 12.5 The decision of the **TRUSTEES** in calculating the levies shall be final and binding on all **MEMBERS**.
- 12.6 The levy payable by a **MEMBER** shall bear the same proportion to the total levy imposed on **MEMBERS** as that **MEMBER's** voting right bears to the aggregate of voting rights of all **MEMBERS**.
- 12.7 No **MEMBER** shall be entitled to any of the privileges of membership unless and until he shall have paid every levy and other sum (if any) which shall be due and payable to the **ASSOCIATION** in respect of his membership thereof.
- 12.8 All levies are due and payable by **MEMBERS** on the first day of the month immediately following the month in which such liability arose and, thereafter, on the first day of each and every following month.
- 12.9 **MEMBERS** shall be liable for payment of interest on outstanding amounts at a rate determined by the **TRUSTEES** from time to time but not exceeding the maximum annual rate permitted by law. Interest calculated at the determined rate is recoverable from the date on which the amount is due and payable to the date of payment provided that any portion of a month will be regarded as a full calendar month for the purposes of this calculation.

13. BREACH

- 13.1 The **TRUSTEES** may on behalf of and in the name of the **ASSOCIATION** institute legal proceedings in accordance with the provisions of this clause 13.
- 13.2 If any **MEMBER** fails in the observance of any of the provisions of this **CONSTITUTION** with regard to **IMPROVEMENTS** and/or fails to comply with any rules or regulations made in terms thereof, the **TRUSTEES** may on behalf of and in the name of the **ASSOCIATION** serve notice on such **MEMBER** calling upon him to remedy such breach within a time specified in such notice and, failing timeous compliance:
 - 13.2.1 enter upon the **ERF / UNIT** (as the case may be) to take such action as may be reasonably required to remedy the breach and the **MEMBER** concerned shall be liable to the **ASSOCIATION** for all costs so incurred, which costs shall be due and payable upon demand;

and/or

13.2.2 call upon such **MEMBER** in writing to remove or alter within a specified period any portion of the **IMPROVEMENTS** or any addition erected contrary to the provisions of this **CONSTITUTION** read with the **GUIDE** and, failing which, the matter shall be referred to a special meeting of the **ASSOCIATION** convened to afford **MEMBERS** the opportunity to give directions to the **TRUSTEES**. The **RESOLUTION** of the **ASSOCIATION** at such meeting shall be binding upon such defaulting **MEMBER** and shall be implemented by the **TRUSTEES**;

and/or

13.2.3 institute proceedings in any court of competent jurisdiction for such relief as the **TRUSTEES** may consider necessary and such **MEMBER** shall be liable for and shall pay all costs of such proceedings on the scale as between attorney and own client and all other expenses and charges incurred in obtaining relief.

13.3 If any **MEMBER** fails to make payment on due date of levies or other amounts payable by such **MEMBER**, the **TRUSTEES** may give notice to such **MEMBER** requiring him to remedy such breach within such period as the **TRUSTEES** may determine and should he fail to timeously remedy his breach, the **TRUSTEES** may, on behalf of the **ASSOCIATION**, institute legal proceedings against such **MEMBER** without further notice and such **MEMBER** will be liable for and shall pay all legal costs on the scale as between attorney and own client together with collection commission and any other expenses and charges incurred by the **ASSOCIATION** in obtaining recovery.

13.4 Nothing in the foregoing shall derogate from or in any way diminish the right of the **ASSOCIATION** to institute proceedings in any court of competent jurisdiction for recovery of any money due by any **MEMBER** arising from any cause of action whatsoever or for any other relief.

13.5 In the event of any breach of this **CONSTITUTION** by the members of any **MEMBER's** household or his invitees or lessees, such breach shall be deemed to have been committed by the **MEMBER** himself but, without prejudice to the foregoing, the **TRUSTEES** shall be entitled to take or cause to be taken such steps against the person actually committing the breach as they may in their discretion deem fit, with or without proceedings against the **MEMBER**.

14. TRUSTEES

- 14.1 The **TRUSTEES** of the **ASSOCIATION** shall comprise 3 (three) **DEVELOPER TRUSTEES** until the first annual general meeting of the **ASSOCIATION** whereupon the number of **TRUSTEES** shall be 5 (five) comprising 3 (three) **DEVELOPER TRUSTEES** and 2 (two) **MEMBER TRUSTEES** for as long as the **DEVELOPER** is a **MEMBER** and upon the **DEVELOPER** ceasing to be a **MEMBER** the 5 (five) **TRUSTEES** shall be **MEMBER TRUSTEES** save that the **ASSOCIATION** shall in general meeting held after the **DEVELOPER** has ceased to be a **MEMBER** be entitled to increase or decrease the number of **TRUSTEES**.
- 14.2 A **TRUSTEE** shall be an individual but need not himself be a **MEMBER** provided that the majority of **MEMBER TRUSTEES** shall be **MEMBERS**.
- 14.3 A **TRUSTEE** shall, by accepting his appointment as such, be deemed to have agreed to be bound by the provisions of this **CONSTITUTION**.
- 14.4 The **DEVELOPER** shall appoint the first **DEVELOPER TRUSTEES** upon formation of the **ASSOCIATION**.
- 14.5 Subject to the provisions of clause 16.6, each **MEMBER TRUSTEE** shall continue to hold office until the annual general meeting of the **ASSOCIATION** following his appointment, at which meeting each **MEMBER TRUSTEE** shall be deemed to have retired from office as such but will be eligible for re-election at such meeting. The **DEVELOPER** shall, by written notice to the **TRUSTEES**, be entitled to remove any **DEVELOPER TRUSTEE** appointed by the **DEVELOPER** and upon such removal or upon any **DEVELOPER TRUSTEE** ceasing to hold office for any other reason, by written notice, appoint in their stead another person or persons.
- 14.6 A **TRUSTEE** shall be deemed to have vacated his office as such upon:
- 14.6.1 his estate being sequestrated, whether provisionally or finally or upon his surrendering his estate;
 - 14.6.2 him making any arrangement or composition with his creditors;
 - 14.6.3 his conviction for any offence involving dishonesty;
 - 14.6.4 him becoming of unsound mind or being found lunatic;
 - 14.6.5 him resigning from such office in writing;
 - 14.6.6 his death;

- 14.6.7 him being removed from office by a resolution of **TRUSTEES**;
- 14.6.8 his being disentitled to exercise a vote in terms of this **CONSTITUTION** provided he is a **MEMBER TRUSTEE**.
- 14.7 Notwithstanding the fact that a **TRUSTEE** shall be deemed to have vacated his office as provided in clause 14.6, anything done by such **TRUSTEE** in the capacity of a **TRUSTEE** in good faith shall be valid until the fact that he is no longer a **TRUSTEE** has been recorded in the Minute Book of the **TRUSTEES**. Should the office of a **TRUSTEE** fall vacant prior to the next annual general meeting of the **ASSOCIATION**, the vacancy in question may be filled by the **DEVELOPER** if the vacancy is in respect of a **DEVELOPER TRUSTEE** and by the remaining **MEMBER TRUSTEES** if the vacancy is in respect of a **MEMBER TRUSTEE** and the person so appointed shall hold office until the next annual general meeting.
- 14.8 The first **CHAIRMAN** shall be appointed by the **DEVELOPER** and shall hold office until the first annual general meeting provided that such office shall ipso facto be vacated by the **TRUSTEE** who was appointed **CHAIRMAN** upon his ceasing to be a **TRUSTEE** for any reason.
- 14.9 Within 7 (seven) days of the holding of each annual general meeting of the **ASSOCIATION** the **TRUSTEES** shall meet and shall elect 'from their own number the **CHAIRMAN** who shall hold office until the annual general meeting held next after his appointment, provided that the office of **CHAIRMAN** shall ipso facto be vacated by the **TRUSTEE** holding such office upon his ceasing to be a **TRUSTEE** for any reason. In the event of any vacancy occurring in the aforesaid office the **TRUSTEES** shall meet as soon as reasonably possible to appoint one of their number as a replacement in such office.
- 14.10 Save as otherwise provided in this **CONSTITUTION**, the **CHAIRMAN** shall preside at all meetings of the **TRUSTEES** and all general meetings of the **ASSOCIATION** and shall perform all duties incidental to the office of **CHAIRMAN** and such other duties as may be prescribed by the **TRUSTEES** or by **MEMBERS** and shall allow or refuse to permit guests to speak at any such meetings, provided that any such guest shall not be entitled to vote at any meetings and provided further that a **MEMBER's** spouse shall be entitled to speak at any meeting.
- 14.11 If the **CHAIRMAN** vacates the chair during the course of a meeting or is not present or is, for any other reason, unable to preside at any meeting, the **TRUSTEES** present at such meeting shall choose another **CHAIRMAN** for such meeting.

- 14.12 If any **CHAIRMAN** vacates his office as **CHAIRMAN** or no longer continues in office for any reason, the **TRUSTEES** shall elect another **CHAIRMAN** who shall hold office as such for the remainder of the period of office of the first mentioned **CHAIRMAN**.
- 14.13 A **TRUSTEE** shall be disqualified from voting in respect of any contract or proposed contract or any litigation or proposed litigation or any dispute, with the **ASSOCIATION**, by virtue of any interest he may have therein.
- 14.14 No contract concluded on behalf of the **TRUSTEES** shall be valid and binding unless it is signed by the **CHAIRMAN** and one **TRUSTEE**, the latter specifically appointed as authorised signatory in terms of the **RESOLUTION** of **TRUSTEES** whereby the **TRUSTEES** bind the **ASSOCIATION**.
- 14.15 **TRUSTEES** shall be entitled to be repaid all reasonable and bona fide expenses incurred by them in or about the performance of their duties as **TRUSTEES** and/or **CHAIRMAN**, as the case may be, but save as aforesaid, shall not be entitled to any other remuneration fees or salary in respect of the performance of such duties.
- 14.16 **TRUSTEES** may not make loans on behalf of the **ASSOCIATION** to **MEMBERS** or to themselves.

15. FUNCTIONS, POWERS AND DUTIES OF TRUSTEES

- 15.1 Subject to the express provision of this **CONSTITUTION**, the **TRUSTEES** 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 of appointment and dismissal of any **MANAGING AGENT**, may exercise all such powers of the **ASSOCIATION** and do all such acts on behalf of the **ASSOCIATION** as may be exercised and done by the **ASSOCIATION** and as are not by this **CONSTITUTION** required to be exercised or done by the **ASSOCIATION** in general meeting subject however to such regulations as may have been made by the **ASSOCIATION** in general meeting provided that no regulation made by the **ASSOCIATION** in general meeting shall invalidate any prior act of the **TRUSTEES** which would have been valid if such regulation had not been made.
- 15.2 Save as specifically provided in this **CONSTITUTION**, the **TRUSTEES** shall at all times have the right to engage on behalf of the **ASSOCIATION** the services of accountants, advocates, attorneys, auditors, architects, engineers, land surveyors, managing agents, town planners or any other professional firm or person or other employees whatsoever for any reason

deemed necessary by the **TRUSTEES** on such terms as the **TRUSTEES** shall decide.

- 15.3 The **TRUSTEES** shall have the right to vary, cancel or modify any of their decisions and resolutions from time to time.
- 15.4 The **TRUSTEES** shall have the right to co-opt any person or persons chosen by them. A co-opted **TRUSTEE** shall enjoy all the rights and be subject to all the obligations of the **TRUSTEES** provided that such co-opted **TRUSTEE** shall only serve until the next annual general meeting.
- 15.5 The **TRUSTEES** may, should they so decide, investigate any suspected or alleged breach by any **MEMBER** or **TRUSTEE** of this **CONSTITUTION** in such reasonable manner as they shall decide from time to time.
- 15.6 The **TRUSTEES** may make regulations and rules not inconsistent with this **CONSTITUTION** or any regulations or rules prescribed by the **ASSOCIATION** in general meeting
 - 15.6.1 as to the resolution of disputes generally;
 - 15.6.2 for the furtherance and promotion of any of the objects of the **ASSOCIATION**;
 - 15.6.3 for the better management of the affairs of the **ASSOCIATION**;
 - 15.6.4 for the advancement of the interests of **MEMBERS**;
 - 15.6.5 for the conduct of **TRUSTEES** at meetings of **TRUSTEES** and meetings of the **ASSOCIATION**;
 - 15.6.6 to levy and collect contributions from **MEMBERS** in accordance with clause 12;
 - 15.6.7 to levy and recover from **MEMBERS** moneys which are necessary to defray the necessary expenses of the **LOCAL AUTHORITY** in the event of the **LOCAL AUTHORITY** imposing any levies and imposts against the **ASSOCIATION**;
 - 15.6.8 to assist it in administering and governing its activities generally.
- 15.7 Without in any way limiting the powers granted, the duties and powers of the **TRUSTEES** shall further specifically include:

- 15.7.1 the determination of what constitutes appropriate standards for residential living, maintenance, repairs, additions to and **IMPROVEMENTS** of all **ERVEN** and in the **DEVELOPMENT** which shall be additional to the powers of the **DEVELOPER** for as long as the **DEVELOPER** is a **MEMBER**. The **TRUSTEES** shall be entitled to require any **MEMBER**, who shall be obliged, to repaint or renovate his **IMPROVEMENTS** if in the reasonable opinion of the **TRUSTEES** such **IMPROVEMENTS** require essential repairs or have become dilapidated;
- 15.7.2 entering into of agreements with third parties on behalf of the **ASSOCIATION** for any purposes of the **ASSOCIATION**;
- 15.7.3 the employment on behalf of the **ASSOCIATION** of agents, servants and any other party and the payment of such persons;
- 15.7.4 the taking of steps in all matters of common interest in respect of the **ASSOCIATION** and, without detracting from the generality thereof, such as common sewage, electricity supply, landscaping, maintenance of private roads, refuse facilities, removal of refuse and such like, where applicable;
- 15.7.5 the institution or defence of actions in the name of the **ASSOCIATION** and to appoint legal representatives for such purpose.

16. PROCEEDINGS OF TRUSTEES

- 16.1 The **TRUSTEES** may meet for the dispatch of business, adjourn and otherwise regulate their meetings as they deem fit, subject to the provisions of this **CONSTITUTION**.
- 16.2 Meetings of the **TRUSTEES** shall be held at least once every 3 (three) months.
- 16.3 The **CHAIRMAN** always has the right to convene meetings of **TRUSTEES**.
- 16.4 A **TRUSTEE** may, provided he has the support in writing of 2 (two) other **TRUSTEES**, at any time convene a meeting of **TRUSTEES** by giving to the other **TRUSTEES** not less than 14 (fourteen) days written notice of a meeting proposed by him, which notice shall specify the reason for calling such a meeting; provided that in cases of urgency, such shorter notice as is reasonable in the circumstances may be given.

- 16.5 A **RESOLUTION** in writing signed by all the **TRUSTEES** shall be valid and effectual as if it had been passed at a meeting of **TRUSTEES** duly called and constituted.
- 16.6 The quorum necessary for the holding of any meeting of **TRUSTEES** shall be 3 (three) **TRUSTEES** present personally provided that, for as long as the **DEVELOPER** is a **MEMBER**, no less than 3 (three) **TRUSTEES** present are **DEVELOPER TRUSTEES**. If no quorum is present within 15 (fifteen) minutes after the time for commencement of the meeting then it shall stand adjourned for the same time and place on the following day which is not a 'Saturday, Sunday or public holiday and, if at such adjourned meeting, a quorum is not present within 30 (thirty) minutes after the time appointed for the meeting, the **TRUSTEES** then present shall be a quorum.
- 16.7 Any **RESOLUTION** of the **TRUSTEES** shall be carried by a simple majority of all votes cast. In the case of an equality of votes for and against a **RESOLUTION**, the **CHAIRMAN** shall have a second or casting vote.
- 16.8 The **CHAIRMAN** shall preside as such at all meetings of **TRUSTEES** provided that, should at any meeting of **TRUSTEES** the **CHAIRMAN** not be present within 15 (fifteen) minutes after the time appointed for the holding thereof, those present of the **TRUSTEES** shall vote to appoint a **CHAIRMAN** for the meeting who shall thereupon exercise the powers and duties of the **CHAIRMAN** in relation to such meeting.
- 16.9 A **TRUSTEE** may be represented at a meeting of **TRUSTEES** by a proxy provided such proxy is a **TRUSTEE**.
- 16.10 The instrument appointing a proxy shall be in writing and signed by the **TRUSTEE** concerned but need not be in any particular form. The proxy shall be deposited with the **CHAIRMAN** at any time before the time appointed for the commencement of a meeting and shall be valid only for such meeting or any adjournment thereof.
- 16.11 The **TRUSTEES** shall
- 16.11.1 ensure that minutes are taken of every meeting of **TRUSTEES**, although not necessarily verbatim, which minutes shall be reduced to writing without undue delay after the meeting has closed and shall then be certified as substantially correct by the **CHAIRMAN** of the meeting;
 - 16.11.2 cause such minutes to be kept of all meetings of the **TRUSTEES** in a minute book of meetings of **TRUSTEES** kept for that purpose;

- 16.11.3 cause such minutes to be read out at the next meeting for approval by the **TRUSTEES** which minute shall be certified as being correct by being signed by the **CHAIRMAN** for the time being after receiving approval from the **MEMBERS** of the meeting;
 - 16.11.4 keep all books of meetings of **TRUSTEES** in perpetuity;
 - 16.11.5 on the written application of any **MEMBER**, make all minutes of their proceedings available for inspection by such **MEMBER**.
- 16.12 All **RESOLUTIONS** recorded in the minutes of any meeting of **TRUSTEES** 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 **TRUSTEES** shall be of any force or effect or shall be binding upon the **MEMBERS** or any of the **TRUSTEES** unless such **RESOLUTION** is competent within the powers of the **TRUSTEES**.
- 16.13 Save as otherwise provided in this **CONSTITUTION**, the proceedings at any meeting of **TRUSTEES** shall be conducted in such reasonable manner and form as the **CHAIRMAN** of the meeting shall decide.

17. MANAGING AGENT

- 17.1 The **TRUSTEES** shall, in addition to the powers contained herein, have the power from time to time, if deemed necessary, to appoint in terms of a written contract, a **MANAGING AGENT** to control, manage and administer the **DEVELOPMENT** and to exercise such powers and duties as may be entrusted to the **MANAGING AGENT**, including the power to collect levies, provided that a **MANAGING AGENT** shall be appointed for a year at a time, and unless the **TRUSTEES** notify the **MANAGING AGENT** to the contrary, such appointment will be automatically renewed from year to year.
- 17.2 The **TRUSTEES** shall ensure that there is included in the contract of appointment of a **MANAGING AGENT** a provision to the effect that **if the MANAGING AGENT 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 a contract between master and servant, the TRUSTEES may, without notice, cancel such contract of 'employment and the MANAGING AGENT shall have no claim whatsoever against the TRUSTEES and/or the ASSOCIATION as a result of such cancellation.**

- 17.3 With effect from the date of commencement of the **ASSOCIATION** the first **TRUSTEES** shall appoint if they deem it necessary a **MANAGING AGENT** for a period of 12 (twelve)' months or until the first annual general meeting of the **ASSOCIATION**, whichever first occurs.

18. GENERAL MEETINGS OF THE ASSOCIATION

- 18.1 The **ASSOCIATION** shall, within 12 (twelve) months of the date of commencement of the **ASSOCIATION** hold a general meeting as its first annual general meeting. Thereafter, within 6 (six) months of the financial year end of the **ASSOCIATION** it shall hold second and subsequent annual general meetings.
- 18.2 Such annual general meetings shall be held at such time and place, conveniently located to the site of the **DEVELOPMENT** subject to the foregoing provisions, as the **TRUSTEES** shall decide from time to time.
- 18.3 The **TRUSTEES** may, whenever they deem fit, convene a general meeting and a general meeting shall also be convened on a requisition made by not less than 25% (twenty five per centum) of **MEMBERS** or should the **TRUSTEES** fail to do so such meeting may be convened by the requisitionists themselves provided that notice thereof be given in terms of clause 20.
- 18.4 Each **PURCHASER** shall be advised of the postal address and the domicilium of the **ASSOCIATION** by the **TRUSTEES** as soon as such address has been determined.

19 NOTICE OF MEETINGS

- 19.1 An annual general meeting shall be called by not less than 21 (twenty one) days notice and a general meeting by not less than 14 (fourteen) days notice, as provided in clause The notice 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 this **CONSTITUTION**, the general nature of that business and the reasons for it shall be given in the manner hereafter mentioned or in such other manner, if any, as may be prescribed by the **TRUSTEES** to such persons as are, under this **CONSTITUTION**, entitled to receive such notices from the **ASSOCIATION**; provided that a general meeting or an annual general meeting of the **ASSOCIATION** shall, notwithstanding that it is called by shorter notice than that specified in this **CONSTITUTION**, be deemed to have been duly called if it is agreed to by

not less than 60% (sixty per centum) of **MEMBERS** having a right to attend and vote at the meeting.

- 19.2 The accidental omission to give notice of any **RESOLUTION** or to present any document required to be given or sent in terms of this **CONSTITUTION**, **shall** not invalidate the proceedings at or any **RESOLUTION** passed at any meeting. Provided that a quorum is present at the meeting and further that should a Resolution require more than a simple majority it shall be passed by such majority of **MEMBERS** present at the meeting.
- 19.3 Notice of the annual general meeting and/or a general meeting shall be placed in 1 (one) issue of the “_____” or “_____” newspapers and in the event of both of those newspapers becoming defunct, in 1 (one) issue of the highest circulation English language newspaper distributed in Velddrif and environs.
- 19.4 The non-receipt of notice of a meeting by any person entitled to receive notice shall not invalidate the proceedings of that meeting which shall be incumbent upon **MEMBER** of the **ASSOCIATION** to provide the **TRUSTEE** the postal address to which he or she wishes to have notices addressed.

20. PROXIES

- 20.1 A **MEMBER** may be represented at an annual general meeting and/or general meeting by a proxy who must be a **MEMBER** of the **ASSOCIATION**.
- 20.2 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 any one of those persons may sign the instrument appointing a proxy on such **MEMBER's** behalf. Where a **MEMBER** is a company, the proxy may be signed by any person authorised by resolution of the board of directors of the company or by its secretary and, where a close corporation, by any member of such close corporation and, where an association of persons, by the secretary thereof and, where a trust, by a person duly authorised by the trustees of such trust.
- 20.3 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 lodged with the **ASSOCIATION** at least 24 (twenty four) hours before the scheduled time for the commencement of the meeting or adjourned meeting concerned. The instrument appointing a proxy shall be valid only for the specific meeting or the adjournment thereof.

- 20.4 Notwithstanding the foregoing, the **CHAIRMAN** of the meeting may agree to accept a proxy tendered at any time before or during the meeting.

21. QUORUM

- 21.1 No business shall be transacted at any annual general meeting or general meeting unless a quorum is present when the meeting proceeds to business and when any **RESOLUTION** is to be passed. The quorum necessary for the holding of any meeting shall be 25% (twenty five per centum) of the total **MEMBERS** entitled to attend and vote thereat.
- 21.2 If, within 30 (thirty) minutes after the time appointed for the commencement of the meeting, a quorum is not present, the meeting, if convened on the requisition of **MEMBERS**, shall be dissolved. In all other cases, the meeting shall stand adjourned to the same day in the next week at the same place and time and, if at such adjourned meeting, a quorum is not present, the **MEMBERS** present shall constitute a quorum.

22. AGENDA AT MEETINGS

In addition to any other matters required by legislation or by this **CONSTITUTION** to be dealt with at any annual general meeting, the following matters shall be dealt with at every annual general meeting:

- 22.1 the consideration of the **CHAIRMAN's** report;
- 22.2 the election of **MEMBER TRUSTEES**;
- 22.3 the consideration of the financial statements of the **ASSOCIATION** for the last financial year of the **ASSOCIATION** preceding the date of such meeting;
- 22.4 the consideration of the budget as presented by the **TRUSTEES** and confirmation of levies as currently levied by the **TRUSTEES**;
- 22.5 any other business pertinent to such meeting, including any **RESOLUTIONS** proposed for adoption by such meeting and the voting upon any such **RESOLUTIONS**.

23. PROCEDURE AT MEETINGS

- 23.1 The **CHAIRMAN** shall preside as such at all meetings provided that should he not be present within 15 (fifteen) minutes after the time appointed for the holding thereof, then the **TRUSTEES** present at such meetings shall vote to 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 The **CHAIRMAN** may, with the consent of any meeting at which a quorum is present (and if so directed by the meeting), adjourn a meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business that might have been transacted at the meeting from which the adjournment took place. No notice need be given of the adjourned meeting save for an announcement at the meeting of the date, time and venue of the adjourned meeting unless the meeting is to be adjourned for 30 (thirty) days or more, in which event notice is to be given in the same manner as for the original meeting. Only business left uncompleted at the original meeting may be transacted at the adjourned meeting.'

24. VOTING

- 24.1 At every annual general meeting or general meeting every **MEMBER** in person or by proxy and entitled to vote shall be allocated voting rights as follows:
- 24.1.1 the registered owner of an **ERF / UNIT**: 1 (one) vote per **ERF / UNIT** registered in his name, provided that if an **ERF / UNIT** is registered in more than one person's name, then they shall jointly have 1 (one) vote;
- 24.2 At any meeting of **MEMBERS** a **RESOLUTION** put to the vote at 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 shall be demanded by any **MEMBER**. 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.
- 24.3 Save as expressly provided for in this **CONSTITUTION**, 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 and to vote on any question either personally or by proxy.

- 24.4 At any annual general meeting or general meeting a **RESOLUTION** put to the vote at the meeting shall be decided on an ordinary majority of votes represented by **MEMBERS** entitled to attend and vote thereon present in person or by proxy in accordance with the value of votes recorded in clause 24.1.
- 24.5 Voting on any question of adjournment shall be decided on an ordinary majority of votes represented by **MEMBERS** entitled to attend and vote thereat present in person or by proxy.
- 24.6 Every **RESOLUTION** and every amendment of a **RESOLUTION** proposed for adoption by a general meeting **shall be seconded** at the meeting and, **if not seconded**, shall be deemed not to have been proposed.
- 24.7 Unless any **MEMBER** present in person or by proxy at a meeting shall, before 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, 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 of the **ASSOCIATION** 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 **RESOLUTION** 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.

25. MINUTES OF MEETINGS OF THE ASSOCIATION

- 25.1 The **TRUSTEES** shall
- 25.1.1 ensure that minutes are taken of every meeting of the **ASSOCIATION**, although not necessarily verbatim, which minutes shall be reduced to writing without undue delay after the meeting has closed and shall then be certified as substantially correct by the **CHAIRMAN** of the meeting;
- 25.1.2 cause such minutes to be kept of all such meetings of the **ASSOCIATION** in a minute book of meetings of the **ASSOCIATION** kept for the purpose.
- 25.1.3 cause such minutes to be read out at the next meeting for approval by the **TRUSTEES** which minute shall be certified as

being correct by being signed by the **CHAIRMAN** for the time being after receiving approval from the **MEMBERS** of the meeting;

- 25.2 The **TRUSTEES** shall keep all minute books of meetings of the **ASSOCIATION** in perpetuity.
- 25.3 On the written application of any **MEMBER** the **TRUSTEES** shall make all minutes of the proceedings and/or meetings of the **ASSOCIATION** available for inspection by such **MEMBER**.
- 25.4 All **RESOLUTIONS** recorded in the minutes of any meetings of the **ASSOCIATION** 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 **ASSOCIATION** shall be of any force or effect, or shall be binding upon the **MEMBERS** or any of the **TRUSTEES**, unless such **RESOLUTION** is competent within the powers of the **ASSOCIATION**.
- 25.5 Save as otherwise provided in this **CONSTITUTION**, the proceedings at any meeting of the **ASSOCIATION** shall be conducted in such reasonable manner and form as the **CHAIRMAN** of the meeting shall decide.

26. FINANCIAL YEAR END

The financial year end of the **ASSOCIATION** is the last day of February of each year.

27. ACCOUNTS

- 27.1 The **TRUSTEES** shall cause proper books of account and records to be kept so as fairly to explain the transactions and financial position of the **ASSOCIATION** including:
- 27.1.1 a record of the assets and liabilities of the **ASSOCIATION**;
- 27.1.2 a record of all sums of money received and expended by the **ASSOCIATION** and the matters in respect of which such receipt and expenditure occur;
- 27.1.3 a register of **MEMBERS** showing in each case their addresses and postal addresses;
- 27.1.4 individual ledger accounts in respect of each **MEMBER**;

- 27.2 On the application of any **MEMBER** the **TRUSTEES** shall make all or any of the books of account and records available for inspection by such **MEMBER**.
- 27.3 The **TRUSTEES** shall cause all books of account and records to be retained for a period of 6 (six) years after completion of the transactions, acts or operations to which they relate.
- 27.4 The **ASSOCIATION** in general meeting or the **TRUSTEES** may from time to time make reasonable conditions and regulations as to the time and manner of the inspection by **MEMBERS** of the accounts and books of the **ASSOCIATION**, or any of them, and subsequent to such conditions and regulations, the accounts and books of the **ASSOCIATION** shall be open to the inspection of **MEMBERS** at all reasonable times during normal business hours.
- 27.5 At each annual general meeting the **TRUSTEES** shall lay before the **ASSOCIATION** financial statements for the immediately preceding financial year of the **ASSOCIATION** or, in the case of the first period since the date of commencement of the **ASSOCIATION**, made up for that period. Such financial statements shall be drawn up in accordance with generally accepted accounting practice and shall be accompanied by such additional reports as may be necessary at the discretion of the **TRUSTEES**.

28. DEPOSIT AND INVESTMENT OF FUNDS

- 28.1 The **TRUSTEES** shall cause all moneys received by the **ASSOCIATION** to be deposited to the credit of an account or accounts with a registered commercial bank in the name of the **ASSOCIATION** and, subject to any direction given or restriction imposed at a general meeting of the **ASSOCIATION**, such moneys shall only be withdrawn for the purpose of payment of the expenses of the **ASSOCIATION** or investment.
- 28.2 Any funds not immediately required for disbursements may be invested in a savings or similar account with any financial institution or any other registered deposit receiving institution approved by the **TRUSTEES** from time to time.
- 28.3 Interest on moneys invested shall be used by the **ASSOCIATION** for any lawful purpose in the interest of the **ASSOCIATION**.

29. AUDIT

- 29.1 If required by the **TRUSTEES** alternatively, if required by at least 20% (twenty percent) of the **MEMBERS**, the accounts of the **ASSOCIATION**, including income and expenditure accounts and balance sheets, shall be examined by **AUDITORS** for the purposes of verifying its correctness and authenticity.
- 29.2 The duties of the **AUDITORS** shall be regulated in accordance with general practice and applicable professional standards.

30. INDEMNITY

- 30.1 All the **TRUSTEES** are indemnified by the **ASSOCIATION** against any liabilities bona fide incurred by them in 'their capacities as such and in the case of the **CHAIRMAN** in his capacity as **CHAIRMAN**, as well as for all costs, losses and expenses (including travelling expenses) which they may incur or become liable for by reason of any authorised contract entered into, or any authorised act or deed done, in the discharge of any of their duties and, without detracting from the generality thereof, whether defending any proceedings, civil or criminal or otherwise in which relief is granted by a court.
- 30.2 A **TRUSTEE** shall not be liable for the acts, or omission of the **AUDITORS** or of any of the other **TRUSTEES** whether in their capacities as **TRUSTEES** or as **CHAIRMAN** or for any loss or expense sustained or incurred by the **ASSOCIATION** through the insufficiency or deficiency of any security in or upon which moneys of the **ASSOCIATION** are invested or for loss or damage arising from the insolvency or wrongful act of any person with Whom any moneys, securities or effects are deposited or for any loss or damage occasioned by any error of judgment or oversight on his part or for any loss, damage or misfortune of whatsoever nature occurring in the execution of his duties or in relation thereto unless occurring as a result of mal fides, breach of duty or breach of trust.

32. OWN RISK

Any person using any of the services, land or facilities of the **ASSOCIATION** does so entirely at his own risk.

33. TRANSFER OF LAND

The **DEVELOPER** shall, free of consideration, transfer to the **ASSOCIATION**

- 33.1 Portion 26 (but not including the three sectional title units above garages) of the proposed Town House subdivision layout, for Erf 741, Laaiplek.
- 33.2 all private roads within the **DEVELOPMENT** which are described as private roads on the final plan of subdivision as passed by the Surveyor General. The risk wherein passes to the **ASSOCIATION** upon formation of the **ASSOCIATION** and in respect whereof the maintenance and upkeep thereof is the responsibility of the **ASSOCIATION** as well as liability for rates and taxes and all charges attaching thereto.

34. DOMICILIUM

- 34.1 The **TRUSTEES** shall from time to time determine the address constituting the *domicilium citandi et executandi* of the **ASSOCIATION**, subject to the following:
- 34.1.1 such address shall be the address of the **CHAIRMAN** or of a resident **TRUSTEE** nominated by the **TRUSTEES** or the address of any duly appointed **MANAGING AGENT**;
- 34.1.2 the **TRUSTEES** shall give notice to all **MEMBERS** of any change of such address.
- 34.2 The *domicilium citandi et executandi* of each **MEMBER** shall be the street address of the **MEMBER's ERF / UNIT**
- 34.3 It shall be competent to give notice by telefax where the **MEMBER's** telefax number is recorded with the **TRUSTEES**.
- 34.4 A **MEMBER** may by notice in writing to the **TRUSTEES** alter his *domicilium* provided such new address may not be a post office box or post restante and provided such address is within the Republic of South Africa and shall not be effective until 14 (fourteen) days after receipt of such notification.
- 34.5 Notwithstanding anything to the contrary herein contained, a written notice or communication actually received by a **MEMBER** shall be adequate written notice or communication to such **MEMBER** notwithstanding that it was not sent to or delivered at his *domicilium citandi et executandi*.
- 34.6 Any notice to a **MEMBER**

- 34.6.1 sent to him by prepaid registered post in a correctly addressed envelope at his domicilium citandi et executandi shall be deemed to have been received on the (seventh) day after posting (unless the contrary is proved).; or
- 34.6.2 delivered by hand to a responsible person at his domicilium citandi et executandi shall be deemed to have been received on the day of delivery; or
- 34.6.3 successfully transmitted by telefax to his chosen telefax number shall be deemed to have been received on the 1st (first) day after the date of transmission, unless the contrary is proved.

35. AMENDMENT

- 35.1 No provision hereof shall be added to, amended, 'substituted or repealed without the prior consent in writing of
 - 35.1.1 the **LOCAL AUTHORITY**, and
 - 35.1.2 the **DEVELOPER** for as long as the **DEVELOPER** is a **MEMBER**.
- 35.2 Subject to the provisions of clause 35.1, such addition amendment, substitution, or repeal shall require the approval of at least 51% (fifty one per centum) of the total number of votes of **MEMBERS** of the **ASSOCIATION** given at a general meeting called specifically for such purpose and the notice of such meeting shall, in addition to complying with the requirement for the convening of a meeting, set out in specific terms the proposed addition, amendment, substitution or matter to be repealed.

36. DEALING WITH THE COMMON AREA

Neither the whole nor any portion of the **COMMON AREA (excluding the three sectional title apartments above the garage)** shall be:

- 36.1 sold, let or alienated, otherwise disposed of, subdivided or transferred; or
- 36.2 mortgaged; or
- 36.3 subjected to any rights, whether registered in a deeds registry or not, of use, occupation or servitude other than the general servitude in favour of the Municipality for services (and save those enjoyed by the members of the association in terms hereof); without the sanction of a Special Resolution of

the **ASSOCIATION**; provided that Portion 26 (but not including the three sectional title units above garages) of the proposed Town House Scheme subdivision layout shall not be sold, let, alienated, otherwise disposed of, transferred or mortgaged at all without the written consent of the **LOCAL AUTHORITY**.