

CONSTITUTION

CAPOLAVORO HOME OWNERS ASSOCIATION

Revision 1 – February 2008

(add clause 36)

1. PRELIMINARY

These presents constitute and shall govern the Capolavoro Home Owners Association.

2. DEFINITIONS AND INTERPRETATION

2.1 In these presents the following words shall, unless the context otherwise required, have the meanings hereinafter assigned to them:

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| 2.1.1 | ACT | means the Companies Act, No 61 of 1973. |
| 2.1.2 | ALIENATE | Alienate any Erf or part thereof and includes by way of sale, exchange, donation, deed, or alienation, intestacy, will, cession, assignment, court order or insolvency, irrespective of whether such alienation is subject to a suspensive or resolute condition, and alienation shall have a corresponding meaning. |
| 2.1.3 | ASSOCIATION | means CAPOLAVORO HOME OWNERS ASSOCIATION |
| 2.1.4 | AUDITORS | means the Auditors of the Association. |
| 2.1.5 | CHAIRMAN | means the Chairman of the Board of Trustees. |
| 2.1.6 | CONSTITUTION | means the provisions of this document and any amendments thereto |
| 2.1.7 | CONTRACTS | such contracts as the Developer may enter into with third parties on behalf of the Association for the provision of services. |
| 2.1.8 | THE COUNCIL | means the Stellenbosch Municipality or its Assigns. |
| 2.1.9 | CONTRIBUTION | the contribution referred to in Clause 7. |
| 2.1.10 | DEVELOPMENT | Development means the Development registered over Farm 140/3, Kylemore |

- 2.1.11 DEVELOPMENT PERIOD** means the period from the establishment of the Association until all the Erven within the Township have been sold by the Developer: alternatively, when the Developer notifies the Association that it waives the rights herein conferred upon it during the Development Period.
- 2.1.12 DEVELOPER** means **NIMRO 132 (PTY) LIMITED**
- 2.1.13 EFFECTIVE DATE** means the date of registration of the first transfer of an Erf into the name of a member.
- 2.1.14 ERF** means an Erf within the Development.
- 2.1.15 FACILITIES** any Facilities of whatsoever nature which may be provided in the Development.
- 2.1.16 FINANCIAL YEAR** the Financial Year of the Association which shall run from the 1st day of March in any year until the last day of February in a subsequent year.
- 2.1.17 GROUPOSITE** means all the Erven within the Development as defined in clause 2.1.10 and in terms of Council's approval and the Home Owners' Association formed in terms hereof.
- 2.1.18 IN WRITING** means written, printed or lithographed or partly one and partly the other, and other modes of representing or producing words in a visible form.
- 2.1.19 MANAGING AGENT** means any person or body appointed by the Association as an independent contractor to undertake any of the functions of the Association.
- 2.1.20 MEMBER** means a Member of the Association, as defined in Clause 4 hereof.
- 2.1.21 PERSON** shall include a Company, Close Corporation, Trust, partnership or other association of persons entitled by law to hold title to fixed property.
- 2.1.22 REGISTERED OWNER** the registered owner of an Erf registered in the Deeds Office, Cape Town.
- 2.1.23 SERVICES** such utilities and amenities as may be provided by the Association for the Development and residents in the Development.

- 2.1.24 **TRUSTEES** means the Trustees of the Association.
- 2.1.25 **THE PRIVATE AREAS** All Private Roads and Private Open Spaces as indicated on the approved Surveyor-General's diagrams and/or General Plans within the Development.
- 2.2 Unless the context otherwise requires, any words importing the singular shall also include the plural and vice versa and words importing any one gender shall include the other.
- 2.3 The headings of the respective Clauses are for reference purposes only and shall not be taken into account in the interpretation of these Articles.
- 2.4 Where consent or approval is required for any act by a Member, such consent or approval shall be in writing and duly signed, which shall not be unreasonably withheld and shall be given prior to the member taking action.
- 2.5 The onus of proof in regard to receipt of any notice given or payment made by a member shall be upon the giver of the notice or the maker of the payment.
- 2.6 In the event of a Member consisting of more than 1 (ONE) person, they shall be jointly and severally liable in solidum for all their obligations in terms of this Constitution.
- 2.7 In the event of any provision of the Constitution being unenforceable for any reason whatsoever, then such provision shall be deemed to be separate and severable, without in any way affecting the validity of the remaining provisions.
- 2.8 This Constitution shall in all respects and in regard to all matters arising therefrom be governed by the law of the Republic of South Africa.

3. **MAIN OBJECT**

- 3.1 The members are required to form an association to regulate and control aspects of the development, upon the terms and conditions as more fully set out hereunder.
- 3.2 The main objects to the association shall be to:-
- 3.2.1 promote, advance and protect the interests of the members.
- 3.2.2 maintain and repair the private area and all amenities or improvements which may be erected thereon, in particular the cleaning, sweeping, upkeep, maintenance, improvement (if any) and control of the landscaped area in the private road.
- 3.2.3 maintain, service and repair verges, sidewalks and all other private open areas within the development.

- 3.2.4 control any exterior alterations, changes of colour finishes or design of all buildings erected on Erven within the development.
- 3.2.5 to acquire ownership of the Private Area(s) simultaneously with registration in the Deeds Office of the first land unit arising from the subdivision of the Parent Erf.

4. MEMBERSHIP

- 4.1 Membership of the Association shall be limited to the Developer in its capacity as such and to any other person who is in terms of the Deeds Registries Act reflected in the records of the Deeds Office, Cape Town as the registered owner of any Erf in the Development.
- 4.2 Where any Erf is owned by more than 1 (ONE) person, all the registered owners of that Erf shall together be deemed to be 1 (ONE) Member of the Association and have the rights and obligations of 1 (ONE) Member of the Association, subject however to the provisions of 22.1.3.
- 4.3 Membership of the Association is affirmed by registered ownership in the Deeds Registry, Cape Town, of one or more Erven in the group site.
- 4.4 Upon registration of ownership of the Erf in the name of the purchaser, membership of the Association by such purchaser shall be automatic and obligatory and members shall be obliged to comply with the provisions of this constitution.
- 4.5 No person shall be entitled to cease to be a member of the Association, whilst remaining the registered owner of an Erf in the group site.
- 4.6 Membership shall be transferred by registration of a Deed of Transfer in the Deeds Registry, Cape Town, passing transfer of one or more Erven in the group site from the previous member to the new member.
- 4.7 In the event of there being any change and/or variation in the control of any Member, being a Company, Close Corporation or Trust, such new directors, members or Trustees shall be deemed to be the member and accordingly bound to the provisions of the Memorandum and Articles of Association.
- 4.8 No Shareholder, Member or Trustee shall alienate his interest in a Company, Close Corporation or Trust, without first having had and obtained the consent of the Trustees of the Home Owners Association as envisaged in Clauses 6 and 7 hereafter.

5. CESSATION OF MEMBERSHIP

- 5.1 When a Member ceases to be the registered owner of an Erf, he shall ipso facto cease to be a Member of the Association.

- 5.2 The Developer shall be entitled to cede all of its rights in terms of this Constitution and the transferee shall be entitled to exercise all such rights.
- 5.3 The Developer may at any time abandon in whole or in part any right conferred upon it in terms of this Constitution.
- 5.4 The Developer shall when it is no longer the owner of any Erf in the Development, cease to be a Member of the Association.

6. ALIENATION

- 6.1 A Member shall not in any manner Alienate an Erf unless it is a condition of the Agreement of Alienation that :
 - 6.1.1 The proposed transferee has bound himself to become and remain a Member of the Association for the duration of his ownership of the Erf, and a clearance certificate has been issued by the Association to the effect that the provisions of this Constitution have been complied with; and
 - 6.1.2 The registration of transfer of that Erf into the name of the transferee shall ipso facto constitute the transferee as a Member of the Association.
- 6.2 The provisions of Clause 6.1 shall apply *mutatis mutandis* to any alienation of an undivided share in an Erf.
- 6.3 This Constitution shall also bind any person occupying an Erf and no Member shall let or otherwise part with the occupation of his Erf whether temporarily or otherwise unless the proposed occupier has agreed to be bound by this Constitution.
- 6.4 The registered owner of any Erf may not resign as a Member of the Association.
- 6.5 Subject to Clause 6.3, the rights and obligations of the Member shall not be transferable and every Member shall further the objects and interests of the Association to the best of his ability.
- 6.6 A Restraint of Alienation will be registered against all the Erven in the Development in order to give effect to the terms of this provision.

7. CONTRIBUTIONS

- 7.1 The Trustees may from time to time impose contributions upon the Members for the purposes of meeting all the expenses which the Association has incurred whether for the provision of facilities or otherwise, or to which the Trustees reasonably anticipate the Association will be liable for in the attainment of its objects or the pursuit of its business.

- 7.2 The Trustees shall not less than 30 (THIRTY) 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 a budget being 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 Trustees may include in such estimate an amount to be held in reserve to meet anticipated expenditure not of an annual nature.
- 7.3 Each notice to each Member shall specify the contribution payable by that Member to such expenses and reserve fund.
- 7.4 Each contribution shall be payable annually in advance on the first day of each Financial Year, or for such other period as the Trustees may in their discretion determine.
- 7.5 In the event of the Trustees for any reason whatsoever failing to prepare and serve the estimate referred to in Clause 7.2 above timeously, every Member shall until receipt of such estimate as aforesaid continue to pay the contribution previously imposed and shall after such receipt thereof, pay such contribution as may be specified in the notice referred to in Clause 7.2.
- 7.6 The Trustees may from time to time impose special contributions upon the Member in respect of all such expenses as are mentioned in Clause 7.1 which were not included in any estimate made in terms of Clause 7.2, and may in imposing such contributions, further determine the terms of payment thereof.
- 7.7 The Trustees 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 contributions.
- 7.8 Any amount due by a Member by way of a contribution and interest shall be a debt due by him to the Association. A Member's successor in title to an Erf shall be liable as from the date upon which he becomes a Member pursuant to the transfer of that Erf, or whether by virtue of transfer or change in control of a Company, Close corporation or Trust, to pay the contribution and interest thereon attributable to that Erf.
- 7.9 In calculating the contribution payable by any Member, the Trustees shall as far as is reasonably practical :
 - 7.9.1 Assign those costs arising directly out of the Erf itself to the Member owning such Erf.
 - 7.9.2 Subject to 7.9.1, assign those costs relating to the Development generally to the owners of all Erven equally;

Provided however that the Trustees may in any case where they consider it equitable to do so, assign to any Member any greater or lesser share of the costs as may be reasonable in the circumstances.

- 7.10 Any contributions, rates, levies, charges, fees, expenses, costs and/or other monies due and payable to or recoverable by the Association may be recovered in a competent Court of Law and all costs as may be incurred by the Association in instituting such action shall be for the account of the member.

8. RULES

- 8.1 Subject to any restriction imposed or direction given at a general meeting of the Association, the Trustees may from time to time make management and conduct rules in regard to :
- 8.1.1 The standards and guidelines for the architectural design of all buildings and outbuildings, structures of any nature, and all additions and alterations to any such buildings, outbuildings or structures erected or to be erected in the Development, and in particular to control the design of the exterior of such buildings, outbuildings or structures and the materials used on such exterior to ensure an attractive, aesthetically pleasing character to all buildings in the Development.
- 8.1.2 The standards and guidelines for the design of all site works, buildings, structures, installations and projections on the properties in the Development, including aerials, pergolas, side walls, swimming pools, awnings, jacuzzis, carports, paved pathways and landscaping features and works.
- 8.1.3 The preservation of the environment including the right to control vegetation and the right to prohibit and/or control the erection of fences, whether upon or within the boundaries of any property.
- 8.1.4 The right to prohibit, restrict or control the keeping of any animal which they regard as dangerous or a nuisance.
- 8.1.5 The conduct of any persons within the Development for the prevention of nuisance of any nature to any Member.
- 8.1.6 The furtherance and promotion of any of the objects of the Association and/or for the better management of the affairs of the Association and/or for the advancement of the interests of Members and/or residents in the Development.
- 8.1.7 The maintenance of all buildings, outbuildings, structures, improvements of any nature and landscaping within the Development.

- 8.1.8 Members shall be obliged to submit all building plans for new constructions, renovations, alterations or additions to the Association for examination and approval prior to the submission of such plans to the Council for approval and the Association shall make known its decision to the Applicant within 1 (ONE) week of the plans being submitted to it. A scrutiny fee is payable to the controlling Architects by the members.
- 8.2 For the enforcement of any of the rules made by the Trustees in terms hereof, the Trustees may :
 - 8.2.1 Give notice to the Member concerned requiring him to remedy such breach within such period as the Trustees may determine.
 - 8.2.2 Take or cause to be taken such steps as they may consider necessary to remedy the breach of the rule of which the Member may be guilty, and debit the cost of so doing to the Member concerned, which amount shall be deemed to be a debt owing by the Member concerned to the Association; and/or
 - 8.2.3 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; and/or
 - 8.2.4 Take such action including proceedings in Court, as they may deem fit.
- 8.3 In the event of the Trustees instituting any legal proceedings against any Member or resident within the Development for the enforcement of any of the rights of the Association in terms hereof, the Association shall be entitled to recover all legal costs so incurred from the Member or resident concerned, calculated as between attorney and own client.
- 8.4 In the event of any breach of the rules by the members or any 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 Trustees may take or cause to be taken such steps against the person actually committing the breach as they in their discretion may deem fit.
- 8.5 In the event of any member disputing the fact that there has been committed a breach of any of the rules, a committee of three Trustees 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 and the member shall be bound by the decision of the Trustees.
- 8.6 Any fine, contribution and/or levy 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.

- 8.7 Notwithstanding anything to the contrary herein contained, the Trustees may in the name of the Association enforce the provisions of any rules by civil application or action in a Court of competent jurisdiction and for this purpose may appoint such attorneys and counsel as they may deem fit.
- 8.8 The Association may in general meeting itself make any rules which the Trustees may make and may in general meeting vary or modify any rules made by it or by the Trustees from time to time.
- 8.9 The Association shall control all external alterations which are visible to the street.
- 8.10 All Rules must be reasonable and must apply equally to all owners of Erven put to substantially the same use.

9. THE CAPOLAVORO HOME OWNERS ASSOCIATION RULES AND REGULATIONS

The member acknowledges that he has had sight of the Capolavoro Home Owners Association interim Rules and Regulations as compiled by the Developer and that he undertakes to adhere to same until and in the event that same are amended by the Board of Trustees consequent to the development period.

10. TRUSTEES

- 10.1 There shall be a Board of Trustees of the Association which shall consist of not less than 3 (THREE) nor more than 5 (FIVE) Members.
- 10.2 A Trustee shall be an individual and a Member of the Association. A Trustee, by accepting his appointment to office, shall be deemed to have agreed to be bound by all the provisions of this Constitution.
- 10.3 The Board of Trustees shall, during the Development Period, consist of not less than 3 (THREE) nominees of the Developer. Any other Trustees to be appointed to office shall be elected by the Members in general meeting, the Developer being entitled in voting on the election of such Trustees, to exercise the voting rights conferred upon it by Clauses 22.1.2 and 22.1.3. The first Trustees shall, on registration of the Association, be appointed by the Developer. A Member may not vote for any motion or proposal in terms of which the nominees of the Developer are to be removed from office as Trustee during the Development Period.

11. REMOVAL AND ROTATION OF TRUSTEES

- 11.1 Save as set out in Clause 11.3 below, and save for the 3 (THREE) Trustees appointed by the Developer in terms of Clause 10.3 above, each Trustee shall continue to hold office as such from the date of his appointment to office until the Annual General Meeting next following his said appointment, at which meeting each Trustee shall be deemed to have retired from office as such but will be eligible for re-election to the Board of Trustees at such meeting.

11.2 A Trustee shall be deemed to have vacated his office as such upon:

11.2.1 His having become disqualified to act as Director in terms of the provisions of the Act.

11.2.2 His being removed from office as provided in Section 220 of the Act.

11.2.3 In the event of him being disentitled to exercise a vote as a Member of the Association in terms of Clause 22.2.

11.2.4 His estate being sequestrated whether provisionally or finally, or his surrendering of his estate.

11.2.5 The commission by him by any act of insolvency.

11.2.6 His making any arrangements or composition with his creditors.

11.2.7 His death or when he ceases to be owner of a land unit.

11.2.8 If he is absent for more than four months from meetings of Trustees held during such period without reasons acceptable to the Board.

11.2.9 If he is found to be in breach of his fiduciary relationship with the Association.

11.2.10 His conviction for any offence involving dishonesty.

11.2.11 His becoming of unsound mind or being found as a lunatic.

11.2.12 His resigning from such office in writing.

Provided that anything done in the capacity of a Trustee in good faith by a person who ceases to be a Trustee, shall be valid until the fact that he is no longer a Trustee has been recorded in the minute book of the Association.

11.3 Upon any vacancy occurring in the Board of Trustees prior to the next Annual General Meeting, the vacancy in question shall be filled by a person nominated by those remaining for the time being of the Board of Trustees, provided however that, if the Trustee who vacates his office as aforesaid was a nominee of the Developer, the Developer shall be entitled to nominate a Trustee in his stead.

12. CHAIRMAN AND VICE-CHAIRMAN

12.1 The Trustees shall within 14 (FOURTEEN) days after such Annual General Meeting appoint from their number a Chairman and Vice-Chairman, who shall hold their respective offices until the Annual General Meeting next after their said appointments, provided that the office of Chairman or Vice-Chairman shall ipso facto be vacated by a Trustee holding such office upon his ceasing to be a Trustee for any reason. No one Trustee shall be appointed to more than one of the aforesaid offices. In the event of any

vacancy occurring in either of the aforesaid offices at any time, the Board of Trustees shall immediately appoint one of their number as a replacement in such office.

- 12.2 Except as otherwise provided, the Chairman shall preside at all meetings of the Board of Trustees and all general meetings of the Members and, in the event of he not being present within 5 (FIVE) minutes of the scheduled time for the start of the meeting or in the event of his inability or unwillingness to act, the Vice-Chairman shall act in his stead, or failing the Vice-Chairman, a Chairman appointed by the meeting.

13. TRUSTEES EXPENSES AND REMUNERATION

- 13.1 Trustees 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 Trustees.
- 13.2 Trustees shall be entitled to remuneration in respect of the performance of their duties as determined by the Association in a general meeting.

14. POWERS OF TRUSTEES

- 14.1 Subject to the express provisions of these presents, 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 the Managing Agent. The Trustees may further exercise all such powers of the Association and do all such acts on behalf of the Association as may be exercised and done by the Association and as are not by the Act or by these presents required to be exercised or done by the Association in general meeting, subject however to such rules as may have been made by the Association in general meeting or as may be made by the Trustees from time to time.
- 14.2 Save as specifically provided in these presents, the Developer during the development period and the Trustees shall have the right to engage on behalf of the Association the services of accountants, auditors, attorneys, advocates, architects, engineers, a managing agent and any other professional firm or person or other employees whatsoever for any reasons deemed necessary by the Developer or Trustees and on such terms as the Developer or Trustees shall decide. This shall include the right to enter into contracts on behalf of the Association for the provision of services which shall include inter alia contracts in respect of the access control and monitoring of security and the Association shall be bound by such contracts.
- 14.3 The Trustees shall further have power :
 - 14.3.1 To require that any construction of any sort within the Development shall be supervised to ensure that the provisions of these presents and the rules are complied with and that all such construction is performed in a proper and work manlike manner.
 - 14.3.2 To issue an architectural and environmental design and maintenance manual in respect of the Development.

- 14.4 The Board of Trustees shall have the right to vary, cancel or modify its decisions and resolutions from time to time.
- 14.5 The Board of Trustees shall have the right to co-opt onto the Board any person or persons chosen by it. A co-opted Trustee must be a Member of the Association.
- 14.6 The Trustees shall be entitled to appoint committees consisting of such number of their Members and such outsiders, including the Managing Agent, as they may deem fit and to delegate to such committees such of their functions, powers and duties as they may deem fit, with further power to vary or revoke such appointments and delegations as the Trustees may from time to time deem necessary.

15. PROCEEDINGS OF TRUSTEES

- 15.1 The Trustees may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they deem fit, subject to any provisions of these presents.
- 15.2 The quorum necessary for the holdings of any meetings of the Trustees shall be 2 (TWO) present personally, provided however that, during the Development Period the presence of at least 3 (THREE) nominees of the Developer shall be necessary at all meetings of Trustees in order to form a quorum. Any resolution of the Board of Trustees shall be carried on a simple majority of all votes cast. In the case of equality of votes for and against any resolution, the Chairman of the meeting shall have a second or casting vote.
- 15.3 The Trustees shall cause minutes to be kept of every Trustee meeting, which minutes shall, without undue delay after the meeting has closed, be reduced to writing and certified correct by the Chairman. All minutes of Trustees meetings shall, after certification, be placed in a Trustees minute book to be kept in accordance with the provision of the law relating to the keeping of minutes of directors of companies. The Trustees minute book shall be open for inspection at all reasonable times by any Trustee, the Auditors, the Members and the Managing Agent.
- 15.4 Save as provided in these presents, the proceedings of any Trustee meeting shall be conducted in such reasonable manner and form as the Chairman of the meeting shall decide.
- 15.5 A resolution signed by all the Trustees shall be valid in all respects as if it had been duly passed at a meeting of the Board of Trustees.

16. GENERAL MEETINGS OF THE ASSOCIATION

- 16.1 The Association shall within 6 (SIX) 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 Section 179 of the Act.

- 16.2 Such Annual General Meetings shall be held at such time and place as the Trustees shall decide from time to time.
- 16.3 All general meetings other than Annual General Meetings shall be called extraordinary general meetings.
- 16.4 The Trustees 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.

17. NOTICES OF MEETINGS

An Annual General Meeting and a meeting called for the passing of a special resolution, shall be called by 21 (TWENTY ONE) clear days notice In Writing at least, and an extraordinary general meeting, other than one called for the passing of a special resolution, shall be called for by 14 (FOURTEEN) clear days notice in writing at the 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 of the 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 Trustees 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 :

- 17.1 In the case of a meeting called as the Annual General Meeting by all the Members entitled to attend and vote.
- 17.2 In the case of an extraordinary general meeting, by a majority in number of the Members having a right to attend and vote at the meeting, being a majority together holding not less than 95% (NINETY FIVE PER CENTUM) of the total voting rights of all Members.
- 17.3 Insofar as special notice may be required as a resolution, whether by any provision of the Act of these presents, then the provisions of Section 186 of the Act shall apply.
- 17.4 The Association shall comply with the provisions of Section 185 of the Act as to giving of notice and circulating statements on the requisition of Members.
- 17.5 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, or 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, or any resolution passed, at any meeting.

18. QUORUM

- 18.1 No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, and such quorum shall consist of not less than 12 (Twelve) Members personally present who are entitled to vote.
- 18.2 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 adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, the Members present shall be a quorum.

19. AGENDA AT MEETINGS

In addition to any other matters required by the Act or these presents to be dealt with at an Annual General Meeting, the following matters shall be dealt with at every Annual General Meeting:

- 19.1 The consideration of the Chairman's report.
- 19.2 The election of Trustees.
- 19.3 The consideration of any other matters raised at the meeting, including any resolution proposed for adoption by such meeting, and the voting upon such resolutions.
- 19.4 The consideration of the accounts of the Association for the preceding Financial Year including the balance sheet.
- 19.5 The consideration of the report of the Auditors and the fixing of remuneration of the Auditors.
- 19.6 The noting of the contribution for the Financial Year during which such Annual General Meeting takes place.

20. PROCEDURE AT GENERAL MEETINGS

The Chairman may, with the consent of any general meeting at which quorum is present and shall if so directed by the meeting, adjourn a meeting from time to time and place to place but no business shall be transacted at any adjourned meeting other than business which might have been transacted at the meeting from which the adjournment took place. Whenever a meeting is adjourned for 10 (TEN) days or more, notice of the adjourned meeting shall be given in the same manner as of an original meeting, Save as aforesaid, the Members shall not be entitled to any notice of adjournment or of the business to be transacted at an adjourned meeting.

21. PROXIES

- 21.1 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 agent, duly authorised in writing, but need not be in any particular form provided that, where a Member is more than 1 (ONE) person, a majority of those persons shall sign the instrument appointing a proxy on such Member's behalf.
- 21.2 The instrument appointing a proxy and the power of attorney or any other authority under which it is signed shall be tabled at the meeting at which the person named in the instrument proposes to vote. No instrument appointing a proxy shall be valid after the expiration of 12 (TWELVE) months from the date of its execution.
- 21.3 A vote given in accordance with the terms of a 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 Trustees at any time before a vote is taken in respect of which the proxy exercises such vote.

22. VOTING

- 22.1 At every general meeting :
 - 22.1.1 Every Member, including the Developer, in person or by proxy and entitled to vote shall have 1 (ONE) vote for each Erf registered in his name.
 - 22.1.2 If an Erf is registered in the name of more than one person, then all such co-owners shall jointly have 1 (ONE) vote.
- 22.2 Save as expressly provided for in these presents, no person other than a Member duly registered and who shall have paid every contribution 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 a question, either personally or by proxy, at any general meeting.
- 22.3 At any general meeting a resolution put to vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman or Members referred to in Section 198(1)(b) of the Act, and, unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands been carried or carried unanimously or by a particular majority or negatived, and an entry to that effect in the book containing the minutes of the proceedings of the Association, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution. The demand for a poll may be withdrawn.

- 22.4 If a poll is duly demanded it shall be taken in such a manner as the Chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. Scrutineers shall be elected to determine the result of the poll.
- 22.5 A poll demanded on the election of a Chairman or on a question of adjournment, shall be taken forthwith. The poll demanded on any other question shall be taken at such time as the Chairman of the meeting directs. The demand for a poll shall not prevent the continuation of a meeting for the transaction of any business other than the question upon which the poll has been demanded.
- 22.6 Every resolution and every amended resolution proposed for adoption by a general meeting shall be seconded at the meeting and, if not so seconded, shall be deemed to have been proposed.
- 22.7 An ordinary resolution (that is a resolution other than a special resolution) or the amendment of an ordinary resolution shall be carried on a simple majority of all votes cast. In the case of equality of votes for and against any resolution, the resolution shall be deemed to have been defeated.
- 22.8 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 otherwise, 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 votes so recorded.

23. ACCOUNTS

- 23.1 The accounts and books of the Association shall be open to inspection of Members at all reasonable times during business hours.
- 23.2 Once in each Financial Year the accounts of the Association shall be examined and the correctness thereof ascertained by Auditors or Accounting Officers. The duties of the Auditors shall be regulated in accordance with Chapter "X" of the Act.

24. SERVICE OF NOTICES

A notice may be served by the Association upon any Member at the address of any Erf owned by him unless the Member shall have notified the Association in writing of another address for service of notices. Any notice served by post shall be deemed to have been served on the day but one following that on which the letter contained the same was posted.

25. INDEMNITY

Every Trustee, servant, agent and employee of the Association and any Managing Agent, his employees, nominees and invitees, shall be indemnified by the Association against all costs, losses and expenses (including travelling 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 their respective duties, including in the case of a Trustee, his duties as Chairman or Vice-Chairman. Without prejudice to the generality of the foregoing, 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.

26. COUNCIL'S FUNCTIONS

- 26.1 In the event that the Association fails to meet any obligation resting on it by virtue of the provisions of this Constitution and the community concerned is in the opinion of the Council adversely effected by such failure, the Council may take all steps required to rectify that failure, and recover from the members the amount of any expenditure incurred by it in relation to such steps.
- 26.2 The Association shall not amend or in any way alter the conditions contained herein without the prior written consent of Council.

27. GENERAL

Whenever they consider that the appearance of any land or building vested in a Member or Members is such as to be unsightly or injurious to the amenities of the surrounding area or the Development generally, the Trustee may 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 Member or Members failing within a reasonable time, to be specified in such notice, to comply therewith, the Trustees may enter upon the land or buildings concerned and take such steps as may be necessary, and recover the cost thereof from the Member or Members concerned, which costs shall be deemed to be a debt owing to the Association.

The Trustees shall be obliged in giving such notice to act reasonably.

28. The Association may require any Member to maintain the sidewalk adjacent to his property, and in the event of such Member failing to maintain such sidewalk to the satisfaction of the Association, the Association shall be entitled to take such action as may be necessary for the maintenance of such sidewalk and to charge the Member concerned. In the event of the Association requiring any Member to maintain the sidewalk aforesaid, the Trustees shall in determining the contribution payable by such Member take into account the saving to the Association resulting from the member himself maintaining such sidewalk.

29. The Association may enter into agreements with Members for the provision of amenities and Services to the Members and to levy a reasonable charge in respect of the provision thereof.
30. No Member shall transfer his Erf until the Board of Trustees under the hand of one of its Members has certified that the member has at date of transfer fulfilled all his financial obligations to the Association. No Erf or any interest therein shall be alienated without the consent of the Association. Such consent shall not be withheld unless :
 - 30.1 Such Member is indebted to the Association in any way in respect of contributions or other amounts which the Association may in terms of these presents be entitled to claim from him.
 - 30.2 The proposed transferee has not agreed to become a Member of the Association.
 - 30.3 Such Member remains in breach of any of the provisions of these presents or any Rules after notice from the Trustees requiring him to remedy such breach.
31. The provisions of these Articles shall be binding upon all Members and, insofar as they may be applicable to all persons occupying any Erf by, through or under any Member, whatever the nature of such occupation.
32. The Trustees may delegate such of their powers to a Managing Agent as they may determine subject to any restriction imposed or direction given at any general meeting of the Association.
 - 32.1 No Member ceasing to be a Member of the Association for any reason shall (nor shall such Member's executors, curators, trustees or liquidators) have any claim upon or interest in or right to the funds or any other property of the Association.
 - 32.2 The Association may claim from any Member or his estate any contribution arrears and interest or other sums due from him to the Association at the time of his ceasing to be a Member.
33. Any person using any of the Services, land or Facilities of the Association does so entirely at his own risk.

No person shall have any claim against the Association as a result of fire or any substance, liquid or gas escaping from the property of the Association and causing damage to any person or property of any Member providing however that the Association shall take such reasonable steps in its power to prevent or minimize such damage.

34. DISPUTES

- 34.1 Any dispute, arising out of or in connection with these Articles, including the cancellation thereof but excluding any dispute pertaining to contributions, unless the party concerned has complied with Clause 34.12 must be determined in terms of this clause, except where an interdict is sought for urgent relief which may be obtained from a Court of competent jurisdiction.
- 34.2 If a dispute arises, the party who wishes to have the dispute determined must notify the other party thereof. Unless the dispute is resolved amongst the parties to that dispute within 14 (FOURTEEN) days of such notice, either of the parties may refer the dispute for determination in terms of 34.3 hereof.
- 34.3 If a party exercises his rights in terms of 34.2 to refer the dispute for determination, such dispute shall be referred to the following who shall in each case have a minimum of 10 (TEN) years experience in their field :
- 34.3.1 An advocate practising as such at any bar or practising attorney if the parties agree that the dispute in question is a legal one; or
- 34.3.2 A practising public accountant and auditor, if the parties agree that the dispute in question is an accounting one; or
- 34.3.3 A quantity surveyor if the parties agree that the dispute relates to the measurement in any way of any building construction or any aspect thereof; or
- 34.3.4 An engineer if the parties agree that the dispute related to any defect in any building construction.
- 34.3.5 If the parties cannot agree :
- 34.3.5.1 on the person referred to in 34.3.1 to 34.3.4 hereof; or
- 34.3.5.2 whether or not the dispute falls within the framework of 34.3.1 to 34.3.4 hereof;
- within 14 (FOURTEEN) days after such dispute has arisen and in regard to which any of the parties has notified the other, the matter shall be referred to an advocate practising at the Cape Town Bar and nominated by the Chairman of the Cape Town Bar Council, who shall act as the Expert.
- 34.4 Any person agreed upon or nominated as aforesaid (the Expert) shall in all respects act as an Expert and not as an arbitrator.
- 34.5 Subject to Clause 34.6 and 34.11 in regard to costs, the Expert shall be bound to follow the general substantive principles of South African law.

- 34.6 The Expert shall be vested with the entire discretion as to the procedure and manner to be followed in arriving at his decision and in this regard shall not be bound to the principles of South African law regarding procedure and evidence.
- 34.7 The parties shall use their best endeavours to procure that the decision of the Expert shall be given within 21 (TWENTY ONE) days or so soon thereafter as possible, after it has been demanded.
- 34.8 The Expert's decision shall be final and binding on all parties affected in any manner thereby, and shall be carried into effect and may be made an order of any competent court at the instance and cost of any of the parties.
- 34.9 The provision of this clause -
- 34.9.1 constitutes the irrevocable consent by the parties to any proceedings in terms thereof and none of the parties shall be entitled to withdraw therefrom or claim at any such proceedings that it is not bound by such provisions; and
- 34.9.2 are severable from the rest of these clauses and shall remain in effect even if the Company is liquidated for any reason whatsoever.
- 34.10 The expert appointed in terms hereof, shall be entitled in his discretion to appoint any of the persons referred to in 35.3.1 to 35.3.4 or any other person, as the Expert, if he is of the opinion that such person is better qualified to determine the issue. In such event such appointee shall be the Expert for the purposes of this clause.
- 34.11 The party who exercises his right in terms of 34.2 shall establish from the Expert what his estimated fees will be, and the parties shall in equal shares be liable for payment of such fees irrespective of any other award the Expert may make in regard to any other costs, which amount shall be deposited with the Expert prior to the commencement of the proceedings, who shall hold such amount in trust for himself.
- 34.12 In the event of there being a dispute pertaining to contributions in terms of Clause 7, the party shall be obliged to pay such contributions, before such dispute may be referred to arbitration.
- 34.13 Notwithstanding anything to the contrary contained in Clauses 34.1 to 34.12, the Association shall be entitled to institute legal proceedings on behalf of the Association by way of application, action or otherwise in any Court having jurisdiction for the purpose of restraining or interdicting breach of any of these clauses.

35. DEALING WITH THE PRIVATE AREAS

Neither the whole or any portion of the private areas shall be:

- 35.1 sold, let, alienated, otherwise disposed of, subdivided or transferred; or
- 35.2 mortgaged; or

- 35.3 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 (and no member shall be entitled to unreasonably vote against any such special resolution as may be proposed); provided that any private areas shall not be sold, let, alienated, otherwise disposed of, transferred or mortgaged at all without the written consent of the City of Cape Town.

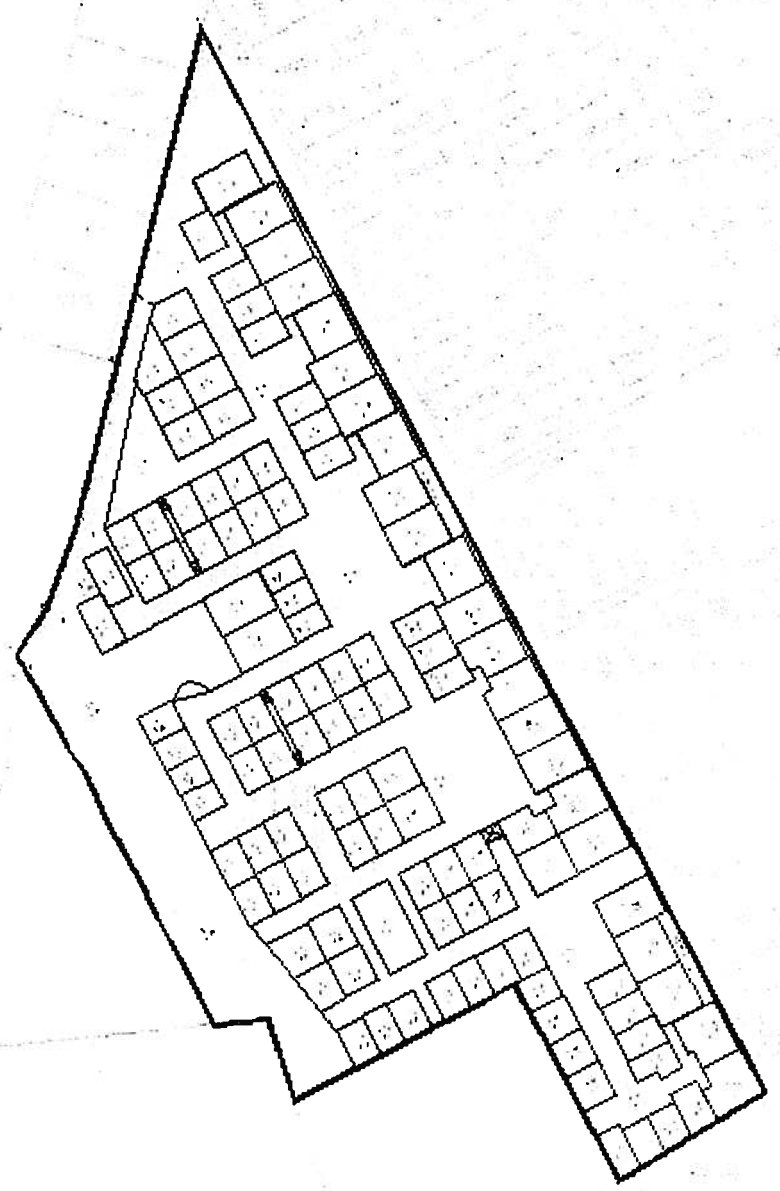
Revision 1 – February 2008


(add clause 36)

36. INCOME TAX EXEMPTION

- (a) Should the provision of this Clause conflict with any other provisions of the Consitution , the provisions of this Clause 36 shall prevail .
- (b) The sole object of the association shall be to manage the collective interests common to all its members , which includes expenditure applicable to the common property of such members and the collection of levies for which such members are liable .
- (c) The association is not permitted to distribute its funds to any person other than to a similar association of persons .
- (d) On dissolution the remaining assets must be distributed to a similar association of persons , which is also exempt from income tax in terms of section 10(1)(e)(iii) of the act.
- (e) Any amendments to the constitution must be submitted to the Commissioner for the South African Revenue Services .
- (f) The association is not or was not knowingly a party to , or does not knowingly permit or has not knowingly permitted itself to be used as part of any transaction , operation or scheme of wich the sole or main purpose is or was the reduction , postponement or avoidance of liability for any tax , duty or levy which , but for such transaction , operation or scheme , would have been or would have become payable by any person under the Income Tax Act or any other Act administered by the Commissioner for the South African Revenue Service .
- (g) Annual income tax returns must be submitted to the Tax Exemption Unit .

NO.	AREA	AREA	AREA
1	1.0	1.0	1.0
2	1.0	1.0	1.0
3	1.0	1.0	1.0
4	1.0	1.0	1.0
5	1.0	1.0	1.0
6	1.0	1.0	1.0
7	1.0	1.0	1.0
8	1.0	1.0	1.0
9	1.0	1.0	1.0
10	1.0	1.0	1.0
11	1.0	1.0	1.0
12	1.0	1.0	1.0
13	1.0	1.0	1.0
14	1.0	1.0	1.0
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94	1.0	1.0	1.0
95	1.0	1.0	1.0
96	1.0	1.0	1.0
97	1.0	1.0	1.0
98	1.0	1.0	1.0
99	1.0	1.0	1.0
100	1.0	1.0	1.0



	
RONLOU DEVELOPMENTS	
RONLOU COUNTRY VILLAGE	
Proposed Subdivision of Farm 140/3	
19414	19414