

**ROYALSTON HOMEOWNERS ASSOCIATION
CONSTITUTION**

CONTENTS

1. NAME
2. INTERPRETATIONS AND DEFINITIONS
3. RECORDAL
4. COMMENCEMENT DATE AND STATUS
5. MEMBERSHIP OF THE ASSOCIATION AND MEMBERS OBLIGATIONS AND RESTRICTIONS
6. CESSATION OF MEMBERSHIP
7. OBJECTS AND PURPOSE
8. LEVIES
9. ENTRENCHED PROVISIONS
10. RESPONSIBILITY FOR PAYMENT OF RATES, TAXES AND SERVICES
11. SERVICES
12. ARCHITECTURAL GUIDELINES
13. CONDUCT RULES
14. MANAGEMENT RULES (GENERAL)
15. MANAGEMENT AND CONDUCT RULES (ENVIRONMENT)
16. TRUSTEES
17. REMOVAL & ROTATION OF TRUSTEES
18. OFFICE OF TRUSTEES
19. FUNCTIONS & POWERS OF THE TRUSTEES
20. OTHER PROFESSIONAL OFFICERS
21. PROCEEDINGS OF THE TRUSTEES
22. GENERAL MEETINGS
23. NOTICE OF MEETINGS
24. SERVICE OF NOTICES
25. VENUE OF MEETINGS
26. QUORUM
27. AGENDA AT MEETINGS
28. PROCEDURE AT GENERAL MEETINGS
29. PROXIES
30. VOTING
31. FINANCIAL YEAR END
32. ACCOUNTS
33. AUDIT
34. INDEMNITY
35. PRIVILEGE IN RESPECT OF DEFAMATION
36. BREACH
37. WATER
38. TRANSFER AND MAINTENANCE OF COMMON PROPERTY
39. DEALINGS WITH THE COMMON PROPERTY
40. ARBITRATION
41. COMMERCIAL COMPONENT
42. GAME FARMING ENTERPRISE
43. PHASES
44. AMENDMENT OF DRAFT GENERAL PLANS

45. ALIENATION OF ERVEN DURING THE DEVELOPMENT PERIOD

ANNEXURES:

- A Benefits Agreement
- B Maintenance and Services Agreement
- C Environmental Management Plan
- D Architectural Guidelines / Annexure E may be incorporated
- E Builders Code of Conduct / into annexure D
- F Conduct Rules

1. NAME

The name of the Association is "Royalston Homeowners Association".

2. INTERPRETATION AND DEFINITIONS

- 2.1 The headnotes to the paragraphs in this constitution are inserted for reference purposes only and shall not affect the interpretation of any of the provisions to which they relate.
- 2.2 Words importing the singular shall include the plural and vice versa.
- 2.3 Words importing the masculine shall include the feminine and a reference to a natural person includes legal persons and vice versa.
- 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 which event the last day shall be on the next succeeding day which is not a Saturday, Sunday or public holiday.
- 2.5 Where figures are referred to in words and 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 such provision shall not affect the validity of the remainder of the provisions of this Constitution.
- 2.7 The annexures to this Constitution form a part of this Constitution and are specifically incorporated herein.
- 2.8 Unless the context clearly indicates a contrary intention, the following words and expressions shall bear the following meanings:
 - 2.8.1 Alienate means

alienate any erf or part thereof and includes alienation 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 resolutive condition (but excludes applying for or registering a mortgage bond over the erf) and Alienation and Transfer shall have a corresponding meaning.

2.8.2 Architect means

The Architect appointed and/or approved by the Developer.

2.8.3 Architectural Guidelines mean

the Royalston Architectural Guidelines manual attached to this Constitution as Annexure D (and includes the Builders Code of Conduct) and Architectural and Building Guidelines shall have a corresponding meaning.

2.8.4 Association means

the Royalston Homeowners Association which is bound by the provisions of this Constitution and HOA shall have a corresponding meaning.

2.8.5 Auditors means

the Auditors of the Association.

2.8.6 Benefits Agreement means

the Benefits Agreement to be entered into between the Developer and the Homeowners Association in terms of which the Members shall enjoy certain benefits over inter alia the Private Nature Reserve and Commercial Component as detailed in the draft Agreement attached hereto marked Annexure A (and any amendments thereto).

2.8.7 Chairman means

the Chairman of the Trustees.

2.8.8 Commercial Component means

Erf 381, or other as may be determined by the Developer and local authority at a later date, depicted, or to be depicted, on the Draft General Plan upon which erf the Developer intends erecting a hotel or other accommodation establishment; Erf 2 on the said General Plan on which the Developer will possibly erect a Frail Care Centre and Erf 382 on which the Royalston on-site Administration Offices have been erected on which the Developer may erect an animal hospital/ wildlife centre or other facility.

2.8.9 Common Property means

all the land transferred to the HOA which shall include erven 303 to 335 inclusive and erven 370 to 375 inclusive which are designated as private roads on some of which roads gate houses and traffic booms will be erected; erf 86 which is designated as a sewer treatment works; erven 337 to 358 inclusive and erven 376 to 380 inclusive which are designated as private open space 3.

2.8.10 Conduct Rules means

the Royalston Conduct Rules detailed in Annexure F hereto.

2.8.11 Constitution means

this document with annexures hereto.

2.8.12 Contractor means

an accredited building contractor employed by an Owner of a residential erf for the construction of improvements on that erf and Building Contractor and Builder shall have a corresponding meaning.

2.8.13 Developer means

East Cape Game Properties (Pty) Ltd, (Registration No 1998/019078/07), a duly registered South African private limited liability company that is also the owner of the development, its nominee, or its successors in title.

2.8.14 Developer Trustee means

a Trustee appointed by the Developer

2.8.15 Development means

certain immovable property being a portion of Portion 78 (a portion of portion 51) of the Farm Kragga Kamma No 23; the Farm Stonekraal No 37, in extent 317,5200 hectares and the Farm Hillside No 36, in extent 318,2698 hectares as depicted on the draft General Plan, provided that the Developer reserves the right to amend the draft General Plan in accordance with the provisions of clause 44 hereunder; on which properties the Developer will be establishing a development comprising the residential component, the commercial component and the private nature reserve and "Estate" shall have a corresponding meaning.

2.8.16 Development Period means

the period from the date of the approval of the Development by the relevant local authority until the Developer notifies the Association that the Development Period is at an end or until all the erven have been

transferred from the Developer, and have been registered in the names of the first owners; whichever shall first occur.

2.8.17 Draft General Plan means

the existing draft General Plan pertaining to the subdivision of Erf 1 Royalston (which can be viewed at the on-site Royalston Administration Offices) and any amendments thereto.

2.8.18 Environmental Management Plan means

the Environmental Management Plan applicable to the Development, a copy of which is attached hereto marked Annexure C and EMP will have a corresponding meaning.

2.8.19 Erf means

every Erf in the Development which in terms of the subdivision of the Development enjoys single residential use rights and shall include any additional residential erven which may be created and approved over and above the existing residential erven depicted on the General Plan and "Residential Erven" shall have a corresponding meaning.

2.8.20 Game Farming Enterprise means

the Game Farming Enterprise to be conducted by the Developer or its nominee on the Private Nature Reserve, and certain areas of the common property which the Developer shall be entitled to utilise in terms of the rights conferred upon it by way of the Notarial Deed and an agreement/s which may be entered into between the Developer and the HOA.

2.8.21 General Plan means

the final General Plan pertaining to the subdivision of Erf 1 Royalston as approved by the Surveyor General and any amendment thereto.

2.8.22 Improvement means

any structure of whatsoever nature constructed or erected or to be constructed or erected on any of the Residential Erven.

2.8.23 Initial Trustees means

The Trustees appointed by the Developer in terms of clause 16.1.

2.8.24 Levy means

the levies referred to in clause 8 hereof.

2.8.25 Maintenance and Services Agreement means

the Maintenance and Services Agreement to be entered into between the Developer or his nominee and the Homeowners Association in respect of the maintenance of and provision of services in respect of the Development and the common property as detailed in the attached draft Maintenance and Services Agreement (or any amendment thereto) attached hereto as Annexure B.

2.8.26 Member means

every registered Owner of an Erf. If a Member consists of more than one person such person shall be jointly and severally liable in solidum for all Owner's obligations in respect of the Erf in question.

2.8.27 Member Trustees means

Trustees appointed by the Members.

2.8.28 Notarial Deed means

the bilateral Notarial Deed to be entered into between the Developer and the Homeowners Association and registered in the Deeds Office in terms of which the Developer shall enjoy certain rights over the Common Property, a draft of which Notarial Deed is attached hereto marked Annexure G.

2.8.29 Owner means

the registered Owner of an Erf.

2.8.30 Private Nature Reserve means

Erf 336 on the draft General Plan and Nature Reserve shall have a corresponding meaning.

2.8.31 Residential Component means

all the land comprising the residential erven and common property, i.e. all the land in the Development excluding the Commercial Component and the Private Nature Reserve.

2.8.32 Trustee means

the Trustees of the Association, collectively from time to time and includes alternate and co-opted Trustees.

2.8.33 RDC means

the Royalston Design Committee.

3. RECORDAL

It is recorded that the Developer will remain the owner of the Commercial Component and the Private Nature Reserve and will have absolute rights of ownership and will exercise complete control over the properties comprising these components of the development.. The Developer will accordingly be solely responsible for the maintenance and upkeep of the aforementioned properties (subject to any obligations of the members regarding maintenance and upkeep in respect of such properties in terms of the Benefits Agreement or any other agreement entered into between the Developer and the Association). The members and/or the Association will have no control or rights over such properties nor any obligations in respect of such properties other than those specifically provided for in the agreements referred to above. The Developer is however desirous of ensuring that the entire development comprising all the components, i.e. the Private Nature Reserve, the Commercial Component and the Residential Component is developed and managed during and after the completion of the development in a harmonious manner and in a manner that has due regard to the best interests of the Developer and all the members and this Constitution has been drafted pursuant to achieving that goal.

4. COMMENCEMENT DATE AND STATUS

4.1 The Association will come into existence upon the final approval for the development being obtained from the local authority and the approval of the General Plans by the Surveyor General.

4.2 Pursuant to its Constitution the Association shall:

4.2.1 be a legal entity and exist independently of its members;

4.2.2 enjoy perpetual succession;

4.2.3 be capable of being sued or to sue with reference to any agreement entered into by the Association, any damage caused to any property of the Association or any matter arising from this Constitution;

4.2.4 not operate for profit but for the benefit of the members.

4.3 No member in his personal capacity shall have any right, title or interest to or in the funds or assets of the Association which shall vest in and be controlled by the Trustees.

5. MEMBERSHIP OF THE ASSOCIATION AND MEMBERS' OBLIGATIONS AND RESTRICTIONS

- 5.1 Membership of the Association shall be compulsory for every registered owner of an erf in the Development.
 - 5.2 Membership shall commence together with registration of transfer of an erf into the name of the transferee.
 - 5.3 Membership of the Association shall be limited to the registered owners of erven in the Development provided that:
 - 5.3.1 the Developer shall be deemed to be and shall be a member of the Association for as long as the Developer remains an owner of any portion of the development or, without derogating from the generality of the above, any of the erven (including erven other than residential erven) or until the end of the Development Period whichever is the later;
 - 5.3.2 where any such registered owner is more than one person, all the registered owners of the erf shall be deemed jointly and severally to be one member of the Association and shall nominate one of them to represent them and to vote at meetings of the Association.
- When a member ceases to be the registered owner of an erf, he shall ipso facto cease to be a member of the Association, save for the Developer who shall remain a member of the Association during the Development Phase.
- 5.4 The rights and obligations of the members shall rank in accordance with the provisions of this Constitution.
 - 5.5 Anything to the contrary hereinbefore contained or implied notwithstanding, the cessation of his membership shall in no way release a member from any obligation undertaken by him prior to the cessation of his membership pursuant to:
 - 5.5.1 any provision of the Constitution of the Association; or
 - 5.5.2 any further or ancillary guarantee, commitment or obligation which such member may have undertaken.
 - 5.6 Membership shall be personal to the natural person or entities in question and may not be assigned or transferred by them to any other natural person or entity.
 - 5.7 The Association shall maintain at their office a register of members, which shall be open to inspection by members.
 - 5.8 The Trustees may by regulation provide for the issue of a membership certificate, which certificate shall be in such form as may be prescribed by the Trustees.

- 5.9 The Trustees may by regulation further prescribe appropriate application documentation including inter alia the following:
- 5.9.1 an application to register as a member of the Association;
 - 5.9.2 an undertaking by a proposed member to comply with all the obligations imposed on members in terms of the Constitution, including adherence to the provisions of the EMP, which undertaking must be signed by the proposed member and deposited with the Association prior to the Association issuing a clearance certificate or consent to transfer a unit or erf in favour of such a proposed member from any existing member, provided always that this paragraph will not apply in respect of the transfer or alienation by the Developer of an erf in favour of a proposed member.
- 5.10 The registered owner of any erf shall not be entitled to resign as a member of the Association.
- 5.11 Every member is obliged to comply with:
- 5.11.1 the provisions of this Constitution and the provisions of all Annexures to this Constitution including but not limited to the Benefits Agreement, the Maintenance and Services Agreement, the Environmental Management Plan, the Architectural Guidelines, the Builders Code of Conduct, the Conduct Rules as well as any rules or regulations passed by the Association;
 - 5.11.2 any agreement concluded by the Association insofar as such agreement may directly or indirectly impose obligations on a member in its capacity as a member;
 - 5.11.3 any directive given by the Trustees in enforcing the provisions of this Constitution;
 - 5.11.4 any condition, by-law, regulation and the like imposed by any local or government authority in respect of the Development.
- 5.12 The members shall be jointly liable for expenditure incurred in connection with the Association. If a member consists of more than one person such persons shall be jointly and severally liable in solidum for all obligations of a member in terms of this Constitution.
- 5.13 A member shall not sell, alienate or give transfer of an Erf unless:
- 5.13.1.1 the proposed transferee has irrevocably bound himself to become a member of the Association and to observe the provisions of the Constitution for the duration of his ownership of the erf;

- 5.13.1.2 the Association acting through the Trustees or their appointed representative have issued a prior written clearance that all outstanding levies and all amounts of whatever nature 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; and
- 5.13.1.3 the proposed transferee acknowledges that upon registration of transfer of the erf into his name, he shall ipso facto become a member of the Association;
- 5.13.1.4 the conditions set out above are incorporated in the relevant Deed of Sale in terms whereof the transferee acquires the erf in question.
- 5.13.1.5 For the avoidance of doubt it is recorded that the provisions of this clause do not apply to the Developer, that there will be no restriction whatsoever on the ability of the Developer to pass transfer of any erf and that accordingly the Developer does not need a clearance certificate from the Association before it will be entitled to alienate or transfer any erf to any person or entity.
- 5.14 No member shall apply to the local authority or any other relevant authority for the subdivision or rezoning of an erf owned by the member, or make application for any consent, usage or waiver or departure or any other dispensation whatsoever in respect thereof.
- 5.15 No more than one dwelling together with such outbuildings as are ordinarily required to be used in connection thereof, shall be erected on any Member's Erf.
- 5.16 A member is required to ensure that the occupant of his erf, whether such occupation arises from an agreement of lease or otherwise, complies with all applicable provisions of this Constitution and the regulations. Without detracting from the foregoing the member shall remain bound by this Constitution notwithstanding such occupation and be jointly and severally liable for the acts and omissions of the occupant and for fulfilling his obligations under this Constitution.
- 5.17 To ensure compliance with clause 5.16 each member shall, if it leases out any home in the Development:
 - 5.17.1.1 enter into a written lease with the tenant in which the tenant is required to accept compliance with all the provisions of the Constitution insofar as they may be applicable to such tenant and all the rules issued by the Association, and to give an undertaking that he will abide by such provisions of the Constitution as may be applicable and all the rules of the Association, and in which lease agreement the tenant is required to report to the Association and

register his full details for security reasons prior to the taking of occupation;

- 5.17.2 be responsible to ensure that the tenant does thus register himself with the Association prior to taking occupation.

6. CESSATION OF MEMBERSHIP

No Member ceasing to be a Member of the Association for any reason shall, (nor shall any such Member's executors, curators, Trustees or liquidators) have any claim upon or interest in the funds or other property of the Association, but this clause shall be without prejudice to the rights of the Association to claim from such Member or his estate any arrears of levies or other sums due from him to the Association at the time of his so ceasing to be a Member.

7. OBJECTS AND PURPOSE

The general purpose and object of the Association is to promote, advance and protect the interests of its members and facilitate harmonious relationships amongst the members whilst at the same time ensuring that the members comply with all the obligations imposed upon them in terms of this Constitution and such other obligations as they may be bound to perform and, without derogating from the generality of the above, more specifically:-

- 7.1 to oversee, maintain and control the Residential Component of the Development;
- 7.2 to ensure the general high standard of the Residential Component of the Development;
- 7.3 to promote, advance and protect the development and the interests of the Association;
- 7.4 to regulate and control the harmonious development of the Residential Component of the Development;
- 7.5 to promote a high standard of improvements on the Residential Component of the Development;
- 7.6 to take transfer of those portions of the common property that are to be owned by the Association for the benefit of its members;
- 7.7 to enter into agreements of servitude in its favour for the benefit of its members;
- 7.8 to ensure that there is adequate security provided for members;
- 7.9 to provide or enter into agreements for the provision of, maintenance, upkeep, upgrading and installation of services pertaining to the

Residential Component of the Development where required including but not limited to services relating to water, electricity, sewerage, security, roadwork's, maintenance and development of the private open space and any other common property;

- 7.10 to pay all rates and taxes, other service charges, other taxes and/or levies charged and payable to any local authority in respect of the common property of the development as well as salaries and/or wages of employees of the Association and generally for the payment of all expenses necessarily or reasonably incurred in connection with the management of the Association including all or any expenses reasonably or necessarily incurred in the attainment of the objects of the Association or the pursuits of its business;
- 7.11 to impose levies upon the members of the Association for the purpose of meeting all the expenses which the Association has incurred or to which the Trustees reasonably anticipate the Association will incur in the attainment of the objects of the Association or the pursuit of its business;
- 7.12 to control the registration of transfer of residential erven in the development and ensure compliance with conditions imposed by the local authority when approving the rezoning and/or subdivision of the property comprising the development as well as any conditions imposed by the Developer in the agreement of sale between the Developer and the first owner of each residential erf;
- 7.13 to administer, enforce and ensure compliance with the Architectural Guidelines, Benefits Agreement, the Services and Maintenance Agreement, the EMP, the Builders Code of Conduct, the Conduct Rules and any other rules and regulations created by the Association.

8. LEVIES

- 8.1 The Association shall establish and maintain a levy fund for the purposes of meeting all expenses of the Association in respect of:
 - 8.1.1 the control, management and administration of the Residential Component of the Development, including specifically (but not limited to) the protection, planting, and/or replacement, where required, of vegetation, and implementation of weeding programs to control alien or invasive vegetation, and implementation of the EMP generally;
 - 8.1.2 in general the attainment of its main objects and purpose as described in its Constitution;
 - 8.1.3 the maintenance of common property and the costs of services such as electricity, water and sewerage consumed or used on the common property;

- 8.1.4 the supply of any services rendered to the Association including, but not limited to, the amount payable by the Association arising from the Maintenance and Services Agreement;
- 8.1.5 payment of all expenses necessary or reasonably incurred in connection with the management of the Association;
- 8.1.6 the costs of the provision of security to the Residential Component of the Development; and
- 8.1.7 in general the cost of fulfilling any of the obligations of the Association in fulfilling its Objects and Purpose;
- 8.1.8 to act as bulk supplier to the Development in respect of the services referred to in 11 below.
- 8.1.9 costs payable to the Developer in terms of the Benefits Agreement or any other agreement entered into between the Developer and the Association pertaining to the maintenance and upkeep, or improvement, of the Private Nature Reserve or other facilities in the Development.
- 8.2 The Trustees shall estimate the amount which will be required by the Association to meet the expenses referred to in 8.1 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 or potential future expenditure not of an annual nature.
- 8.3 The Association shall be entitled to require members, in accordance with the procedures set out in 8.4 below, to make contributions to such levy fund (in the form of levies), for the purposes of satisfying the expenses referred to in clause 8.1.
- 8.4 The procedure for raising and collecting levies shall be as follows:
 - 8.4.1 The Trustees shall submit the estimated expenditure referred to in 8.2 to the annual general meeting of the Association for consideration. It is recorded that:
 - 8.4.1.1 the meeting shall be obliged to approve the following items of expenditure that are charged to the Association by the Developer or outside third parties:
 - 8.4.1.1.1 all rates and taxes payable by the Association to the local authority in respect of the common property, as well as any service charges payable by the Association to the local authority in respect of the Development;

- 8.4.1.1.2 the costs of security services, including security guards, monitoring, surveillance, and security upgrades;
 - 8.4.1.1.3 the fee payable to any Estate Manager with whom the Association has entered into an agreement;
 - 8.4.1.1.4 the amount payable to the Developer (or his nominee) in terms of the Maintenance and Services Agreement or to any other person for services similar to those detailed in the Maintenance and Services Agreement.
- 8.4.1.2 The Association shall have discretion in regard to the approval of the level of services, and the cost thereof, in respect of any services not detailed in 8.4.1.1 and 8.1 above.
- 8.4.2 The Association shall have its annual general meeting within 3 months of the financial year end of the Association and, subject to 8.4 above, decide on proposed increases of the levies and the amounts to be charged to members in respect thereof.
- 8.4.3 If any member is found to be noncompliant or in breach of any rule or requirement of such member embodied in the Constitution, or any of its annexures, or any other rule or regulation stipulated and agreed upon by the Association, such that such member is liable for a fine as determined by the Trustees, that fine may be added to and form part of the monthly levee due from such member.
- 8.5 The Association may, from time to time by resolution adopted by the Trustees, make special levies upon members, effective from the date of passing of the applicable resolution, in respect of such expenses referred to in clause 8.1 which have not been included in the levies approved by the annual general meeting in terms of 8.4, 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 may determine in its resolution. The decision of the Trustees in calculating such special levies shall be final and binding on all members.
- 8.5.1 The Association may furthermore, from time to time by resolution adopted by the Trustees, make such special levies as detailed above, or make payment from the existing levy fund, for the recovery of amounts already paid by the Developer in respect of expenses of the Association as detailed in 8.1, that were not paid for at the time by the Association, including but not limited to expenses paid for the improvement of the Residential Component of the Development under 7.5, in respect of 8.1.2, being the attainment of the main Objects and Purpose of the Association.
- 8.6 Any amount due by a member by way of a levy shall be a debt due by him to the Association payable on such time or times as determined by the Trustees. The Trustees may determine that a levy is payable annually in

advance in respect of the year for which it is calculated or in such monthly instalments as it may determine.

- 8.7 The increase in contributions from members may increase by a maximum of 10% at the end of the financial year, to take into account the anticipated increased liabilities of the HOA which increase may remain effective until such time as the members receive notice of the contributions due by them for the new financial.
- 8.8 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.
- 8.9 No levies paid by a member shall be repayable by the Association upon cessation of the member's membership.
- 8.10 A member's successor in title to an erf shall be liable, as from the date upon which he becomes a member pursuant to registration of transfer of such erf in his name, to pay the levies attributable to that erf.
- 8.11 A member shall be obliged, at the discretion of the trustees, to pay interest on any levy not paid on the due date at the Prime Rate charged by Standard Bank from time to time plus 3 percentage points per annum calculated on the levies due from time to time from the due date until the date that the arrear levies have been paid in full to the Association.
- 8.12 The Association shall be entitled to require a member to sign a debit order authority to allow the Association or its authorised agent to collect levies directly from an operating bank account.
- 8.13 If any member fails to make payment on due date of levies and/or other amounts payable by such member including interest, the Association, as represented by the trustees, may give notice to such member requiring him to remedy such failure within such period as the Association may determine and should he fail timeously to make such payments, the Association, as represented by the trustees, may 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 recovering such amounts.
- 8.14 No member shall, if so determined by the Trustees, be entitled to any of the privileges of membership including:
 - 8.14.1 his right of access to and use of any of the common property;

- 8.14.2 his right to vote until he shall have paid every levy and interest thereon and any other amount which may be due and payable by him to the Association.
- 8.15 The Association shall not be entitled to undertake on behalf of its members any permanent works of major capital nature without the sanction of a resolution of the members adopted during a general meeting of members unless, such works have been approved by resolution of the Trustees and payment for such works is made from available funds within the levy fund, or such works fall within the ambit of clause 8.5. In this sub-clause “works of a major capital nature” means works that will cost more than R100 000.00 (One Hundred Thousand Rand) (excluding Value Added Tax).
- 8.16 In calculation of the levy payable by any member, the Trustees shall as far as reasonably practical apportion those costs relating to the common property to the owners of all erven equally, provided however that the Trustees may in any case where it considers it equitable to do so, apportion to any member any greater or lesser share of the costs as may be reasonable in the circumstances.
- 8.17 The Association may come to agreement with the Developer for the repayment by the Association to the Developer of ongoing costs or expenses incurred by the Developer for the provision of services to the owners.
- 8.18 Should any dispute arise at any time between the members and the Trustees in regard to the determination or calculation of the levies, the decision of the auditors for the time being of the Association (acting as experts and not arbitrators) in regard to such dispute shall be final and binding on the members and the Trustees.
- 8.19 In the event of any dispute arising in regard to the determination or calculation of any levy, every member shall until the determination of such dispute continue to pay the levies determined by the Trustees.

9. ENTRENCHED PROVISIONS

- 9.1 The Developer has a continuing and permanent interest to ensure that certain basic provisions are entrenched during the Development Period to ensure the success of the Development. Accordingly none of the following provisions of clauses 9.1.1 to 9.1.5 (both inclusive) may be deleted or varied in any way in terms of this Constitution, without the prior written consent of the Developer during the Development Period:
- 9.1.1 The Association may register, where necessary, various service servitudes across the Development in favour of the local authority, the Developer and/or the Association, whether in respect of any separate erven or the common property.

- 9.1.2 No member shall be entitled to object to the subdivision and/or development of any part of the development area provided that such subdivision and/or development is not inconsistent with the General Plan approved by the relevant authorities for that part of the development area, nor shall they be entitled to object to any such new development.
- 9.1.3 The Association shall at all times be entitled to draw electricity from erven adjacent to services in road reserves for the purpose of powering such systems for the benefit of the Development. The costs thereof shall be borne by the Association but recovered as part of the levy upon members.
- 9.1.4 Ownership of an erf does not confer any right, including that of access, in respect of property owned by the Developer, including any right of way of access across such property other than those rights detailed in the Benefits Agreement.
- 9.1.5 The members acknowledge and agree that the Developer, its successor/s in title and its employees have certain rights over the common property as detailed in the Notarial Deeds.
- 9.1.6 The Developer may establish game trails, hiking trails, game drive trails and the like on the common property and may further erect structures incidental to the abovementioned facilities on the common property including but not limited to picnic and game viewing structures and the like provided that such structures must be aesthetically harmonious and in keeping with the character of the development.
- 9.1.7 The Association shall not by any means fence or cordon off the area comprising the residential erven from the common property and the private nature reserve nor erect any form of obstruction between the area comprising the residential erven and the common areas and the private nature reserve. This condition is imposed to ensure the free movement of game and other creatures, at the discretion of the Developer, between the private nature reserve and the residential component.
- 9.1.8 The appointed maintenance and security employees shall have access to all common property at all times.

10. RESPONSIBILITY FOR PAYMENT OF RATES, TAXES AND SERVICES

10.1 RATES AND TAXES

- 10.1.1 The Association shall be responsible to pay all rates and taxes in respect of the common property to the council.
- 10.1.2 All other members as owners of erven, shall be responsible to pay rates and taxes in respect of their property to the council.

11. SERVICES

The responsibility for payment of services and the method of service supplies shall be regulated as set out hereunder:

The Association has entered into or will enter into the Maintenance and Services Agreement with the Developer and it is recorded that for the duration of such agreement the provisions of this clause shall be subject to the provisions of the Maintenance and Services Agreement and in event of any of the provisions of this clause conflicting in any way with the provisions of the aforementioned agreement then the provisions of the Maintenance and Services Agreement shall prevail.

11.1 POTABLE WATER SUPPLY

11.1.1 Water will be supplied and metered in bulk at the boundary of the Development by the council and supplemented if necessary from internal borehole supplies.

11.1.2 The management and maintenance of the complete internal water supply system in the Residential Component of the Development will be the responsibility of the Association and all supplies of water will be managed and administered in the entire discretion of the Association.

11.1.3 The Developer shall install the infrastructure for the water supply to the boundary of each erf in the Development. The Association will be responsible for the cost of maintenance and servicing of pipelines, pumps, meters, equipment and materials in respect of the internal potable water supply system.

11.1.4 The members of the Association shall be liable for and shall pay to the Association on demand all charges arising from water supplied to or consumed in or on an erf and the dwelling house thereon, as well as the common property.

11.1.5 The liability of members of the Association for such charges shall be in accordance with separate sub-meters serving the erven of members which the Association shall be entitled to install at the cost of such member, as the case may be.

11.1.6 Where water charges are calculated and payable in terms of clause 11, any Value Added Tax levied in respect of the supply of such water shall be paid by the member in question.

11.1.7 The Association will be entitled to charge interest at the Prime Rate charged by Standard Bank from time to time plus 3 percentage points on any charges payable by a member in terms of this clause 11 which

interest will be calculated from the due date on the balance of the charges owing from time to time until it has been paid in full.

11.1.8 The council will be responsible for the maintenance of the potable water supply system up to the bulk supply point at the boundary of the Development.

11.2 ELECTRICITY

11.2.1 Electricity will be supplied in bulk at the boundary of the Development by the council. This will be known as the Point of Supply (POS).

11.2.2 The POS will contain an intake substation with the necessary switchgear and a bulk supply meter to the development. Ownership of this equipment (together with the responsibility to operate, maintain and repair) will vest in the council.

11.2.3 The Developer shall install the infrastructure for the electricity supply to the boundary of each erf in the Development.

11.2.4 The Association will be responsible for the operation and maintenance of the internal reticulation of electricity in the Residential Component of the Development and shall further be responsible to appoint a responsible person as defined in terms of the Occupational Health and Safety Act to exercise this function on its behalf.

11.2.5 Each member's electricity consumption will be metered separately and it will be required of the Association or its contractors to conduct monthly readings and issue accounts in respect thereof to members together with the monthly levy statements.

11.2.6 Lighting on the common property shall be supplied through separate electricity supply meters and the cost incurred by the Association in respect thereof shall be recovered from members as part of the levies imposed by the Association.

11.3 SECURITY, COMMUNICATIONS AND TV

11.3.1 The Association shall be responsible for the maintenance of the security systems, all internal communication (intercoms, gates, gate booms, etc) and the provision of TV signals within the Residential Component of the Development and will take all the steps necessary to provide and maintain adequate security measures for the Residential Component and such other areas as may be agreed with the Developer.

11.3.2 It is recorded that the Developer has arranged security for the entire Development and that the Association shall be obliged to enter into a security agreement with the Developer, or its nominated provider. The Developer shall be the security authority for the Development (including

the Residential Component of the Development) and shall be solely entitled, to the exclusion of any other party, to control all the security measures in respect of the Development until expiry of the Development Period, after which period the Association shall act as security authority for the Residential Component of the Development.

11.3.3 All members of the Association shall co-operate with the Association to install and maintain security systems that will integrate the security systems of the Association with those of the members of the Association.

11.3.4 All members of the Association shall allow the Association or its employees access to their properties to install, maintain and operate such security systems.

11.3.5 All members of the Association shall be obliged to accept the established security infrastructure provided by the Developer and not be entitled to install any security systems such as access control systems, alarm systems, intercoms and close circuit video systems which are incompatible and incapable of being integrated with the systems of the Association, and which have not been approved by the Association in writing.

11.3.6 It is recorded that the aforesaid provisions are incorporated as being of crucial importance for purposes of a cohesive and effective security system for the Development, and in the best interests of all members of the Association. All members are accordingly obliged to participate.

11.4 MAINTENANCE OF COMMON PROPERTY

The on-going maintenance of the common property shall be the responsibility of the Association and such maintenance shall be performed by the Developer or Nominee for the duration of the Maintenance and Services Agreement.

11.5 SEWERAGE

The Association will be responsible for the maintenance of the internal sewer reticulation serving the Residential Component of the Development as well as the maintenance of the sewerage treatment plant. It is recorded such maintenance shall be conducted by the Developer during the currency of the Maintenance and Services Agreement.

11.6 STORM WATER SYSTEM

The Association will be responsible for the maintenance of the internal storm water system serving the Residential Component of the Development. It is recorded that such maintenance shall be conducted by the Developer during the currency of the Maintenance and Services Agreement.

11.7 GENERAL

- 11.7.1 The Association and/or its authorised representatives shall have the right to convey water, electricity, sewerage, telephone, information technology, telecommunication, security communication and any other services over any Erf or building or the Common Property, and shall have the right of access to such premises for the purposes of installing, replacing and/or repairing such services.
- 11.7.2 The members of the Association will allow reasonable access to employees or representatives of the Association into buildings or over erven for purposes of maintaining any pipes or equipment or in general any of the systems necessary for the conveyance or provision of the services referred to above. Furthermore and without derogating from the aforesaid all members of the Association will be obliged to provide their co-operation and allow reasonable access to employees or representatives of the Association to enable them to install, implement and maintain any pipes or other modes of conveying of the services referred to above.
- 11.7.3 The Developer during the Development Period and thereafter the Association shall have the right to register servitudes of right of way and/or servitudes for the conveyance of electricity, water, sewerage, telephone lines, information technology, security systems and any other type of services and/or servitudes of encroachment or servitudes in respect of any common walls or structural support or any other servitudes in respect of any other type of use over any erf or the Common Property in favour of the Association that in the opinion of the Developer or Association is reasonably necessary for the proper functioning of the Development or the whole or any part of the Development. The Association accepts and shall be bound by and consents to registration of such reciprocal servitudes between members of the Association and the Association as provided for herein.

12. ARCHITECTURAL GUIDELINES

- 12.1 The Architectural Guidelines constitute an integral part of this Constitution and are specifically incorporated herein. It is recorded that the Architectural Guidelines contain the procedures, requirements and guidelines to be adhered to by every member who wishes to effect construction, improvements or alterations to or under- take any renovation of any erf or dwelling house. The Architectural Guidelines that will be in force are those contained in the annexure hereto.
- 12.2 All improvements shall be of sound construction and shall comply with the provisions of the Architectural Guidelines contained in this Constitution.
- 12.3 No construction or erection of any improvements or alterations to and no renovations of any erf that is under- taken by any party other than the

Developer may commence prior to the due and proper approval of plans for such construction, improvements, alterations or renovation by both the Royalston Design Committee (RDC) and, where required, the local authority, in accordance with the following provisions:

- 12.3.1 the member shall submit to the RDC for approval a full set of the proposed building plans or alteration plans which indicate both construction and design details;
- 12.3.2 the member shall be liable for payment of the reasonable cost of professional scrutinising and examination of such plans by the RDC;
- 12.3.3 after approval of such plans by the RDC the plans shall be submitted to the local authority for approval. No plan shall be submitted to the local authority unless it bears the endorsement of approval of the RDC, clearly dated, certifying that the plan complies with the Architectural Guidelines.
- 12.4 When effecting the constructing, improvements or alterations or renovations contemplated in this clause the member shall at all times comply strictly with the Architectural Guidelines as well as all conditions and standards imposed by the local authority insofar as these may be additional to the provisions of the Architectural Guidelines. No member shall be entitled to deviate in any manner whatsoever from the plan approved by the RDC and the local authority unless the prior written approval of both the RDC and the local authority for such proposed deviation has been obtained.
- 12.5 No member shall be entitled to challenge or contest any of the provisions of the Architectural Guidelines. No application for the amendment of the Architectural Guidelines shall be made to the local authority unless prior written consent of the Developer in the Development Period and thereafter the RDC has been obtained thereto.

13. CONDUCT RULES

The conduct rules of the Association are those contained in Annexure F hereto (as amended) and constitute an integral part of this Constitution and are specifically incorporated herein.

14. MANAGEMENT RULES (GENERAL)

The management rules in force on establishment of this Association shall be those outlined in this Constitution and shall form an integral part of this Constitution.

15. MANAGEMENT AND CONDUCT RULES (ENVIRONMENT)

- 15.1 A comprehensive environmental management plan (EMP) has been prepared for the Development. The said EMP is attached to this

Constitution and all its provisions are incorporated herein as if specifically listed. Every member of the Association shall be obliged to observe and adhere strictly to the provisions thereof.

- 15.2 The EMP shall serve as a point of reference to the Association, the Developer, contractors and all members in maintaining and interacting with the sensitive indigenous environment of the Development. A copy of the EMP shall at all times be available at the offices of the Association.
- 15.3 The Environmental Control Officer (ECO) appointed by the Developer to monitor and oversee the implementation of EMP shall at all times be consulted on any issue that may arise in relation to the protection and maintenance of the environment of the Development. To this end it is recorded that the decision of the ECO on which constitutes unacceptable building or environmental management practices shall be final and binding on the Developer, the Association, its members, guests and contractors.
- 15.4 Without derogating from the specific provisions of the EMP, all members of the Association, their guests and contractors must be aware of the following:
 - 15.4.1 Indigenous vegetation and wild animals, including reptiles, amphibians and birds, may not be harmed in any way. Accordingly, no snares may be set in the Development.
 - 15.4.2 No internal boundary fences or walls may be erected around the individual erven, to allow for the free movement of wild animals in the Development. (Please note the intention of this clause is to ensure Village areas, or sections of Village areas cannot be alienated, and allow free movement of wildlife, where the Architectural and Building Guidelines will define allowed walling and/or fencing around houses as controlled by the Royalston Design Committee.)
 - 15.4.3 No alien vegetation may be planted anywhere in the Development, including the residential erven, unless approved by the Trustees under the supervision of the Developer, and members are obliged to have their gardens planted with indigenous trees, shrubs and water wise plants endemic to the area. The ECO will assist members in this regard and the Developer will similarly make available a list of acceptable trees, shrubs and plants.
- 16 TRUSTEES
 - 16.1 The first Trustees shall be two Trustees appointed by the Developer, i.e. Developer Trustees who shall take up office on the commencement date detailed in clause 4 and shall serve until the first Annual General Meeting. Thereafter the Trustees of the Association shall for the Development

Period be divided into two classes, namely Developer Trustees and Member Trustees.

- 16.2 During the Development Period there shall be not more than five (5) Trustees of the Association of whom:
 - 16.2.1 two (2) shall be Member Trustees appointed by the Members; and
 - 16.2.2 the remaining Trustees shall be Developer Trustees appointed by the Developer.
- 16.3 After termination or expiration of the Development Period there shall be not more than six (6) Trustees and all the Trustees shall be appointed by the Members subject to the proviso that the Developer shall at all times be entitled to appoint one (1) Developer Trustee. Should the Developer, after the expiry of the Development Period, elect to exercise his right to appoint a Developer Trustee then in such event the remaining Trustees shall be appointed by the Members. For example if there are six Trustees and the Developer exercises his right to appoint a Trustee the Members shall be entitled to appoint the remaining five Trustees.

17. REMOVAL & ROTATION OF TRUSTEES

- 17.1 Save as set forth in 17.2 below, each Trustee shall continue to hold office until the Annual General Meeting next following his said appointment, at which meeting each Trustee shall be deemed to have retired from office upon the election or re-election of the new Trustees, but each Trustee will be eligible for re-election to the Trustees at such meeting.
- 17.2 A Trustee shall be deemed to have vacated his office as such upon:
 - 17.2.1 his estate being sequestrated, whether provisionally or finally, or his surrendering his estate;
 - 17.2.2 his making any arrangement or compromising with his creditors;
 - 17.2.3 his conviction for any offence involving dishonesty;
 - 17.2.4 his becoming of unsound mind or being found lunatic;
 - 17.2.5 his resigning from such office in writing delivered to the Secretary;
 - 17.2.6 his death;
 - 17.2.7 him being removed from office as provided for in the Companies Act, 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 Trustees.

17.3 Upon any vacancy occurring on the Trustees prior to the next Annual General Meeting, the vacancy in question shall be filled by a person nominated by the remaining Trustees.

18. OFFICE OF TRUSTEES

18.1 Within 7 (seven) days of the holding of the first Annual General Meeting, the Trustees shall meet and shall elect from its own number the Chairman and Vice-Chairman, who shall hold their respective offices until the Annual General Meeting held next after their said appointment, provided that the office of the Chairman or Vice-Chairman shall ipso facto be vacated by the 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 any of the aforesaid offices at any time, the Trustees shall immediately meet to appoint one of their number as a replacement to such office.

18.2 Save as otherwise provided in these presents, the Chairman shall preside at all meetings of the Trustees, and all general meetings of Members, and shall perform all duties incidental to the office of Chairman and such other duties as may be prescribed by the Trustees or by the Members, and to allow or refuse to permit invitees to speak at any such meetings, provided however, that any such invitees shall not be entitled to vote at any such meetings.

18.3 The Vice-Chairman shall assume the powers and duties of the Chairman in the absence of the Chairman, or his inability or refusal to act as Chairman, and shall perform such other duties as may from time to time be assigned to him by the Chairman or by the Trustees.

18.4 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 and/or Chairman, Vice-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.

19. FUNCTIONS & POWERS OF THE TRUSTEES

19.1 Subject to the express provisions 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 and, save as may be expressly provided in this constitution, 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 either by virtue of the provisions of the Companies Act, or by this constitution required to be exercised or done by the Association in general meeting, subject nevertheless to any regulations as may be prescribed by the Association in general meeting from time to time,

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.

- 19.2 The Trustees shall have the right to vary, cancel or modify any of their decisions and resolutions from time to time.
- 19.3 The Trustees shall have the right to co-opt as a Trustee 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.
- 19.4 The Trustees may, should they so decide, investigate any suspected or alleged breach by any Member or Trustee, in such reasonable manner as they shall decide from time to time.
- 19.5 The Trustees may make rules, regulations and/or by-laws, not inconsistent with this constitution, or any direction given at any General Meeting:
 - 19.5.1 as to the settlement of disputes, generally;
 - 19.5.2 for the furtherance and promotion of any of the objects of the Association;
 - 19.5.3 for the better management of the affairs of the Association;
 - 19.5.4 for the advancement of the interests of Members;
 - 19.5.5 for the regulation and control of the conduct of Members and occupants while in the Residential Component of the Development, whether on Erven or on Common Property.
 - 19.5.6 governing the manner and methods of the use of the common property by or on behalf of the Members of the Association or any occupant;
 - 19.5.7 for the conduct of Trustees meetings and general meetings; and
 - 19.5.8 to assist it in administering and governing its activities generally; and shall be entitled to cancel, vary or modify any of the same from time to time. Further to monitor and report on the services and maintenance provided by the Developer in terms of the Services and Maintenance Agreement which has been entrenched and is annexed hereto marked Annexure "B".
- 19.6 For the purpose of transacting their business as provided herein, the Trustees shall be entitled to open and operate a banking account in the name of the Association at a registered banking institution.

20 OTHER PROFESSIONAL OFFICERS

Save as specifically provided otherwise in this constitution, the Trustees shall at all times have the rights to engage on behalf of the Association, the services of Accountants, Auditors, Attorneys, Advocates, Architects, Engineers, any other professional person or firm and/or any other employee/s whatsoever, for any reasons deemed necessary by the Trustees and on such terms as the Trustees shall decide.

21. PROCEEDINGS OF THE TRUSTEES

- 21.1 The Trustees may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit, subject to any provisions of these presents.
- 21.2 Meetings of the Trustees shall be held at least once every quarter, provided that if all the Trustees shall in writing have waived the above requirement in respect of a particular quarter then no meeting of the Trustees needs be held for that quarter. All Trustee meetings may be conducted by electronic communication, provided that the electronic communication allows all Trustees to participate reasonably effectively in the meeting and to communicate concurrently with each other without an intermediary.
- 21.3 The quorum necessary for the holding of any meeting of the Trustees shall be 2 (two) Trustees where there are 4 (four) Trustees and 3 (three) Trustees where there are more than 4 (four) Trustees, providing that the Developer is present at all times and represented by at least 50% [fifty per centum] of such quorum.
- 21.4 The Chairman shall preside as such at all meetings of the Trustees, provided that should at any meeting of the Trustees the Chairman not be present within 5 (five) minutes after the time appointed for the holding thereof, then the Vice-Chairman shall act as Chairman at such meeting, provided further that should the Vice- Chairman also not be present within 5 (five) minutes of the time appointed for the holding of such meeting, those present of the Trustees 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.
- 21.5 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, or the acting Chairman where the Chairman is not present, of the Trustees shall have a second or casting vote provided that in the event that the decision shall affect the obligations of the Developer in terms of the Agricultural Benefits Agreement or any agreement between the Developer and the Association and/or any decision which may affect the Game Farming Enterprise in any manner whatsoever, such decision

shall not be valid and binding, unless a Developer Trustee is present at the meeting and provided further that the Developer shall have the right to veto any such decision.

- 21.6 A Trustee shall take minutes of every Trustees meeting, although not necessarily verbatim, which minutes shall be reduced to writing without undue delay after the meeting will have closed and shall then be certified correct by the Chairman of the meeting. All minutes of Trustees meetings shall after certification as aforesaid be placed in a Trustees Minute Book to be kept in accordance mutatis mutandis, with the provisions of the law relating to the keeping of minutes of meetings of directors of companies. The Trustees Minute book shall be open for inspection at all reasonable times by a Trustee, the Auditors, the Association Members and Local Authority.
- 21.7 All competent resolutions recorded in the minutes of any Trustees meeting shall be valid and of full force and effect as therein recorded, with effect from the passing of such resolutions, and until varied or rescinded, but no resolution or purported resolution of the 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.
- 21.8 Save as otherwise provided in this constitution, the proceedings at any Trustee meeting shall be conducted in such reasonable manner and form as the Chairman of the meeting shall decide.
- 21.9 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 Trustees duly convened.
- 21.10 Any decision that could be voted on at a formal meeting of the Trustees, may instead be adopted by written consent of a majority of the Trustees, which consent may be given by that Trustee in person or by electronic communication. Decisions may only be passed in this manner if every Trustee has received notice of the matter to be decided.

GENERAL MEETINGS

22. GENERAL MEETINGS OF THE ASSOCIATION

- 22.1 The Association shall, within twelve months of the date of the first registration of transfer of an Erf from the Developer to an Owner, hold a meeting as its first Annual General Meeting. Such meeting shall be called by the Developer Trustees. Should they fail to call the meeting the meeting shall be convened by any Member by giving notice as prescribed in clause 23. Thereafter within three months of the financial year end of

the Association it shall hold second and subsequent Annual General Meetings.

- 22.2 Such annual general meeting shall be held at such time and place subject to the foregoing provisions, as the Trustees shall decide from time to time.
- 22.3 All general meetings other than annual general meetings shall be called special general meetings.
- 22.4 The Trustees may, whenever they think fit, convene a special general meeting, and a special general meeting shall also be convened on the request of Members entitled to exercise aggregate voting rights of not less than 25% (twenty five percentum) of the total number of Member voting rights eligible to vote at such meeting or should the Trustees fail to do so, such meeting may be convened by the requisitionists themselves provided that notice thereof has been given in terms of clause 23.

23. NOTICE OF MEETING

23.1 The annual general meeting shall be called with not less than 21 (twenty one) days notice in writing. A special general meeting shall be called with not less than 14 (fourteen) days' notice in writing. In each case, the notice shall be exclusive of the day on which it is given, and shall specify the place, the day and the hour of the meeting and, in the case of special business, in addition to any other requirements contained in these presents, the general nature of that business, and in the case of a special resolution, the terms of the resolution to be passed 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 any 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 by Members entitled to exercise voting rights of not less than 75% (seven five percentum) of the total number of Member voting rights eligible to vote at the meeting.

23.2 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.

24. SERVICE OF NOTICES

- 24.1 A notice shall be in writing and shall be served by the Association upon every Member, by registered e-mail. As such, every Member is obliged to register an email address with the Association, to which all correspondence and notice of meetings will be sent.
- 24.2 No Member shall be entitled to have a notice served on him at any physical address within, or not within, the Republic of South Africa.

24.3 Any notice sent by registered email shall be deemed to have been served at the time when the email containing the notice was sent, and proof of the giving of the notice by email shall be sufficient to prove that the letter containing the notice was properly addressed and sent.

24.4 The accidental omission to give notice of a meeting to, or the non- receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings of that meeting.

25. VENUE OF MEETINGS

General Meetings of the Association shall take place at such place/s as shall be determined by the Trustees from time to time.

25.1 General Meetings of the Association shall take place at such place/s as shall be determined by the Trustees from time to time.

25.2 Any General Meeting of Members, if so determined by the Trustees, may be held by electronic communication using video conferencing facilities, subject to the condition that the electronic communication allows all meeting participants to participate reasonably effectively in the meeting and to communicate concurrently with each other.

26. QUORUM

26.1 No business shall be transacted at any 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 general meeting shall be such, that of the Members entitled to vote, 50% (fifty per centum) of the total votes of all Members of the Association entitled to vote shall be represented at the meeting, save that not less than 3 (three) Members must be present in person or by proxy and provided further that during the Development Period at least 1 (one) representative of the Developer is present at such meeting.

26.2 If within half an hour from the time appointed for the holding of a general meeting a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved, in any other case it shall stand adjourned to the same day in the next week, at the same place and time, or at such other place as the Chairman of the meeting shall appoint, and if at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, the Members present shall constitute a quorum.

27. AGENDA AT MEETINGS

27.1 In addition, to any other matters as would be required by the Act to apply to a company or to these presents to be dealt with at an Annual General

Meeting, the following matters shall be dealt with at every Annual General Meeting:

- 27.1.1 the consideration of the Chairman's report to the Trustees;
- 27.1.2 the election of the Trustees;
- 27.1.3 the consideration of any other matters raised at the meeting including any resolutions proposed for adoption by such meeting, and the voting upon any such resolutions;
- 27.1.4 the consideration of the balance sheet of the Association for the last financial year of the Association preceding the date of such meeting;
- 27.1.5 the consideration of the report of the Auditors.

28. PROCEDURE AT GENERAL MEETINGS

- 28.1 The Chairman shall preside as such at all general meetings, provided that should he not be present within five minutes after the time appointed for the holding thereof, then the Vice-Chairman shall act as Chairman at such meeting, provided further that should the Vice-Chairman also not be present within five minutes of the time appointed for the holding of such meeting, then the Members present at such meeting entitled to vote, 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.
- 28.2 The Chairman may, with the consent of any general 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 which might have been transacted at the meeting from which the adjournment took place. Whenever a meeting is adjourned for 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.
- 28.3 Except as otherwise set forth in these presents, all general meetings shall be conducted in accordance with generally accepted practice.

29. PROXIES

- 29.1 A Member may be represented at a general meeting by a proxy, who need not be a Member of the Association. The instrument appointing a proxy shall be in writing signed by the Member concerned or his duly authorised agent in writing, but need not be in any particular form, provided that where a Member is more than one person, any one of those persons may sign the instrument appointing a proxy on such Member's

behalf, where a Member is a company, the same may be signed by the Chairman of the Board of Directors of the Company or by its secretary, where an association of persons, by the secretary thereof, where a close corporation, by any Member and where a trust, by any Trustee.

29.2 The instrument appointing a proxy and the Power of Attorney or other authority (if any) under which it is signed, or a certified copy thereof shall be deposited at the Association's office no less than 24 hours before the time appointed for the commencement of the meeting, or adjourned meeting, at which the person named in the instrument is authorised to vote. No instrument appointing a proxy, shall be valid after the expiration of 12 (twelve) months from the date of its execution.

30. VOTING

30.1 At every general meeting, every Member in person or by proxy and entitled to vote shall have one vote for each Erf registered in his name provided that if an Erf is registered in the name of more than one person then all such co-owners shall jointly have only one vote. The Developer shall, during the Development Period, be entitled to three votes in respect of each Erf held by it in terms of the General Plan and after the Development Period shall be entitled to one vote in respect of each Erf held by it.

30.2 Save as expressly provided for in these presents, no person other than a Member duly registered, who has paid every levy and other sum (if any) due and payable to the Association and who is not under suspension, shall be entitled to be present or to vote on any question, either personally or by proxy, at any general meeting.

30.3 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless either prior to or on the declaration by the Chairman of the result of the show of hands, a poll is demanded by any person entitled to vote at such meeting.

30.4 Notwithstanding the provisions of 30.3 aforesaid, voting on the election of a Chairman of a general meeting (if necessary) or on any question of adjournment, shall be decided on a show of hands by a majority of the Members present in person or by proxy, and entitled to vote.

30.5 Every resolution and every amendment of a resolution proposed for adoption by a general meeting shall be seconded at the meeting by a second member or trustee and, if not seconded, shall not be voted upon.

30.6 Subject to the provisions of clause 30.7 hereunder a resolution or the amendment of a resolution, shall be carried out by a simple majority of all the votes cast thereon, and an abstention shall not be counted as a vote for or against the resolution in question. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the

general meeting shall be entitled to a casting vote in addition to his vote as Member.

- 30.7 Notwithstanding anything contained in this constitution, any resolution, or the amendment of a resolution, which would have the effect of amending or repealing any part of this constitution shall require a 75% (three quarters) majority of all voting rights of Members entitled to vote on such resolution before the resolution may be passed, and shall be known as a special resolution.
- 30.8 Unless any Member present in person or by proxy at a general 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, whether by show of hands or by poll, or to the propriety or validity of the procedure at such meeting, such declaration by the Chairman shall be deemed to be a true and correct statement of the voting, and the meeting shall in all respects be deemed to have been properly and validly constituted and conducted, and an entry in the minutes to the effect that any motion has been carried or lost, with or without a record of the number of votes recorded in favour of or against such motion, shall be conclusive evidence of the vote so recorded if such entry conforms with the declaration made by the Chairman of the meeting as to the result of any voting at the meeting.

31. FINANCIAL YEAR END

The financial Year End of the Association is the end of February each year.

32. ACCOUNTS

- 32.1 The Association in a 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 the Members, of the accounts and books of the Association, or any of them, and subject 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.
- 32.2 At each Annual General Meeting the Trustees shall lay before the Association a proper income and expenditure account for the immediately preceding financial year of the association, or in the case of the first account, for the period since the transfer of the first Erf into the name of the first Owner, together with a proper balance sheet made up as at the last financial year end of the Association. Every such balance sheet shall be accompanied by proper and extensive reports of the Trustees and the Auditors, and there shall be attached to the notice sent to Members convening each Annual General Meeting, copies of such accounts, balance sheet and reports (all of which shall be framed in

accordance with the provisions of the Companies Act) and any other documents required by law to accompany same.

33. AUDIT

- 33.1 Once at least in every year, the accounts of the Association shall be examined and the correctness of the income and expenditure account and balance sheets ascertained by the Auditors.
- 33.2 The Auditors shall perform such duties as are performed by Auditors of any registered company.

34. INDEMNITY

- 34.1 All the Trustees and the Auditors shall be indemnified out of the funds of the Association against any liabilities bona fide incurred by them in their respective said capacities and in the case of a Trustee, in his capacity as Chairman, Vice- Chairman, whether defending any proceedings, civil, criminal or otherwise, in which relief is granted to any such person/s by the Court.
- 34.2 Every Trustee, every servant, agent and employee of the Association, and the Auditors shall be indemnified by the Association against (and it shall be the duty of the Trustees out of the funds of the Association to pay) 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 any of his/their respective duties, including the case of a Trustee Member, his duties as Chairman or Vice-Chairman. Without prejudice to the generality of the above, the Association shall specifically indemnify every such person against all losses of whatsoever nature incurred arising out of any bona fide act, deed or letter done or written by him jointly or severally in connection with the discharge of his duties, provided that any such act, deed or letter has been done or written in good faith.
- 34.3 A Trustee shall not be liable for the acts, receipts, neglects or defaults of the Auditors or of any of the other Trustees, whether in their capacities as Trustee Members or as Chairman or Vice-Chairman, or for any loss or expense sustained or incurred by the Association through the insufficiency or deficiency of title to any property acquired by the Trustees for or on behalf of the Association, or for the insufficiency or deficiency of any security in or upon which any of the monies of the Association shall be invested, or for any loss or damage arising from the insolvency or delictual or criminal act of any person with whom any monies, securities or effects shall be deposited, or for any loss or damage occasioned by any error of judgment or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of any of the duties of his office/s or in relation thereto, unless

the same shall happen through lack of bona fides or breach of duty or breach of trust.

35. PRIVILEGE IN RESPECT OF DEFAMATION

Every Member of the Association and every Trustee Member shall be deemed by virtue of his Membership or, as the case may be, his holding office as a Trustee Member, to have waived as against every other Trustee Member, the Trustees, the Chairman or Vice-Chairman, the Auditors and everybody else engaged to perform any function or duty on behalf or for the benefit of the Association, or the Trustees, or any sub-committee, all claims and rights of action which such Member or Trustee Member might otherwise have had in law arising as a result of any statement, report, complaint or notice of or concerning such Member or Trustee Member, or any reference to such Member or Trustee Member, made at any Trustees meeting or general meeting, or otherwise in the performance or exercise of any right, function, duty, power or trust, within the ambit of these presents, being a statement, report, complaint, notice or reference defamatory to such Member or Trustee Member, or otherwise injurious to the dignity, reputation, business or financial interest of such Member or Trustee Member, whether such statement be true or false.

36. BREACH

36.1 Any Member who fails to make payment to the Association on the due date of any monthly levy or other amount payable by such Member, or who otherwise breaches or fails in observance of any of the provisions of these presents may, if so determined by a resolution passed by a simple majority of Trustees at a meeting of the Trustees:

36.1.1 be ordered to pay such outstanding amounts and/or

36.1.2 be ordered to pay the Association or any Member or other person aggrieved by the breach or failure in question, such sum as compensation that shall have been determined at such Trustees meeting.

37. WATER

All water consumed in respect of the common area shall be paid for by the Association out of its funds or levies collected. As regards the irrigation water sources on the property these are for the exclusive use of the commercial component and game farming enterprise which shall be owned by the Developer. Where the Developer allows irrigation water from its water sources on the property to be used for common area irrigation purposes, such water must be metered and paid for by the Association.

38. TRANSFER AND MAINTENANCE OF THE COMMON PROPERTY

It is anticipated that the local authority when approving the application for subdivision of the development will require the common property to be

transferred into the name of the Association, which shall thereafter be responsible for the maintenance and upkeep thereof. It is recorded as understood that the Developer on behalf of the Association has entered into the Maintenance and Services Agreement with the Association to provide all the maintenance and services to the common property as will appear from the Maintenance and Services Agreement, which forms an annexure to this Constitution.

39. DEALINGS WITH THE COMMON PROPERTY

Neither the whole nor any portion of the common property shall be:

- 39.1 sold, alienated, otherwise disposed of, subdivided or transferred; or
- 39.2 subjected to a mortgage; or
- 39.3 subjected to any rights, whether registered in the Deeds registry or not, of use, occupation or servitude (save those enjoyed by the Members of the Association in terms hereof) and those enjoyed by the Developer as set out in this Constitution and/or the Notarial Deed and/or any agreement entered into between the Developer and the Association; or
- 39.4 built upon, improved or enhanced in value by the construction of buildings, erection of facilities or amenities, other than as contained in this constitution and in the approved layout plan, without the sanction of a resolution of the Trustees.

40. ARBITRATION

- 40.1 Should any dispute, question or difference arise between Members or between a Member and Trustees out of or in regard to:
 - 40.1.1 the interpretation of;
 - 40.1.2 the effect of;
 - 40.1.3 their respective rights or obligations under;
 - 40.1.4 a breach of this Constitution (save for non-payment of levies or any other amounts due by a Member in terms of this Constitution), such dispute shall be decided by arbitration in the manner set out in this clause 40.
- 40.2 In respect of any claim arising from non-payment of levies of any other amount due by a Member to the Association in terms of this Constitution, the Association and Trustees shall continue to enjoy common law rights and shall not be required to proceed to arbitration and shall not be precluded from instituting legal proceedings in any court of competent jurisdiction.
- 40.3 The arbitration referred to in clause 40.1 shall:
 - 40.3.1 be conducted in an informal summary manner on the basis that it shall not be necessary to observe or carry out either the usual formalities or

procedures relating to pleadings or discovery or the strict rules of evidence; and

- 40.3.2 commence as soon as reasonably possible after it is demanded and with a view to its being completed within 30 (thirty) days after it is demanded; and
- 40.3.3 be held under the provisions of the Arbitration Act of the Republic of South Africa (as amended or replaced from time to time) except insofar as the provisions of this arbitration clause shall apply.
- 40.4 The arbitrator shall be a practicing advocate or attorney of not less than 15 (fifteen) years standing appointed by agreement between the parties to the arbitration within 7 (seven) days of being called upon to make such appointment and failing such agreement within the 7 (seven) day period, appointed by the President of the Law Society of the Cape of Good Hope.
- 40.5 The arbitrator shall in giving his award have regard to the principles contained in this Constitution and he shall decide the matter as submitted to him according to what he considers just and equitable in the circumstances and, therefore, the strict rules of Law need not be observed or be taken into account by him in arriving at his decision. The arbitrator's decision shall be presented within 10 (ten) dates after the completion of the arbitration in a written document and he shall state the reasons for his decision therein. The arbitrator may determine that the cost of the arbitration be paid either by one or other of the disputing parties or by the Association as he in his sole discretion may deem fit.
- 40.6 Each of the parties to the arbitration irrevocably agree that the decision of the arbitrator made at such arbitration proceedings:
 - 40.6.1 shall be final and binding on each of them; and
 - 40.6.2 shall be carried into effect immediately; and
 - 40.6.3 may be made an order of any Court that has jurisdiction over the parties or the Property.
- 40.7 Notwithstanding anything to the contrary contained in this clause 40, the Trustees 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 purposes of restraining or interdicting breaches of any of the provisions of this Constitution, including the Architectural Guidelines.

41. COMMERCIAL COMPONENT

It is recorded that the Developer will conduct a Hotel / Accommodation and Conferencing business on the Commercial Component and that the public utilising these facilities will enjoy access across the Development on designated roads. No Member shall have any claim of whatsoever nature against the

Developer or his successors in title arising from the conducting of the aforementioned business from whatsoever cause arising. The provisions of this clause are entrenched and shall be incapable of amendment by the Members.

42. GAME FARMING ENTERPRISE

It is recorded that the Developer will be conducting a Game Farming enterprise on the Private Nature Reserve and certain parts of the Common Property as detailed in the draft Notarial Deed referred to in clause 2.8.28 of this Constitution. The Members acknowledge that they are aware of the nature of this Game Farming activity and the contents of the Notarial Deed conveying certain rights over the Common Property to the Developer and are aware that the Developer and HOA may enter into such further agreement/s as may be necessary to enable the Developer to conduct the said Game Farming enterprise. The Members agree that they shall have no claim of whatsoever nature against the Developer in respect of the Developer conducting such business from whatsoever cause arising. All game shall remain the property of the Developer and it shall retain exclusive ownership thereof notwithstanding the fact that the game may from time to time (or even permanently) inhabit and/or be found on the common property.

43. PHASES

43.1 The Developer intends to develop and market the Development in phases as the Developer deems fit. For as long as the Developer is a member of the Association, the Developer shall enjoy unrestricted rights with regard to the marketing of the Development and, in particular, the right to erect signage within the Development.

43.2 The Developer shall, in its absolute discretion, be entitled to include further land in the Development and apply to, and subject to approval by the local authority, vary the layout and/or zoning and/or size and/or boundaries of erven and/or the number of erven and/or the extent and position of streets within or comprising the Development, and members shall be bound thereby and shall have no claim of whatever nature against the Developer arising therefrom. Insofar as the consent of a member is required for any of the foregoing, the Developer is irrevocably granted a power of attorney to grant any/all such consents on behalf of members, as may be required.

43.3 No member, other than the Developer, shall be entitled to apply for the subdivision of any erven within the Development, unless approved by special resolution of the members at a general meeting of the Association

44 AMENDMENT OF DRAFT GENERAL PLANS

The Developer reserves the right to amend the draft General Plans insofar as it may be necessary to (a) obtain the approval for the subdivision of the properties and/or (b) comply with any conditions of subdivision imposed

by the local authority and/or (c) ensure the viability of the Development and/or (d) reflect changes as a result of 43.2 above and for any other reason as may be reasonably necessary. The Developer shall however endeavour in as far as is practicably possible to obtain approval of the subdivision substantially in accordance with the draft General Plans.

45. ALIENATION OF ERVEN DURING THE DEVELOPMENT PERIOD

If any member wishes to alienate his property during the development period such member shall be obliged to utilise the seller's approved agreement of sale in respect of such sales. Furthermore in the event of a member utilising the services of an estate agent to sell his property during the development period he shall be obliged to appoint an estate agent nominated by the developer to handle sales during the development period.