



CONSTITUTION

of the

STELLENDALÉ MASTER HOME OWNERS ASSOCIATION

**A statutory body established in terms of Section 29 (1) as read with
Section 42 of the Land Use Planning Ordinance 15 of 1985**

1. DEFINITIONS

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

ALIENATE	Alienate any ERF or RESIDENTIAL SECTION or part thereof and includes by way of sale, sale of land on instalments in terms of the Alienation of Land Act 68/1981, exchange, donation, deed, intestate succession, will, cession, assignment, court order, insolvency or liquidation, irrespective of whether such alienation is subject to a suspensive or resolute condition and " ALIENATION " shall have a corresponding meaning.
ASSOCIATION	The Home Owners Association established in respect of any number of ERVEN within the DEVELOPMENT and ASSOCIATIONS shall have a corresponding meaning.
AUDITORS	The auditors of the MASTER ASSOCIATION .
BODY CORPORATE	The BODY CORPORATE established in respect of a Sectional Title Scheme within the DEVELOPMENT and BODIES CORPORATE shall have a corresponding meaning.
CHAIRMAN	The Chairman of the TRUSTEES .
CONSTITUTION	This document with the annexures hereto.
DEVELOPER	Visual International (Pty) Ltd, Altius Trading 8 (Pty) Ltd, Spanish Ice (Pty) Ltd, My Place Trust, RAL Trust, Clidet No 946 (Pty) Ltd and/or any other associated entities.
DEVELOPER TRUSTEE	A trustee appointed by the DEVELOPER .
DEVELOPMENT	Certain immovable property being portions of remainder farm 1286 Stellenbosch, farm 438/1 Stellenbosch, farm 438/4 Stellenbosch, farm 439/1 Stellenbosch and farm 1478 Stellenbosch, situated in the City of Cape Town, Western Cape Province, which has been / is to be subdivided into a township to be known as "STELLENDALE" in accordance

with approval obtained from the **LOCAL AUTHORITY** and includes all/any extension/s of the township approved by the **LOCAL AUTHORITY** upon application by the **DEVELOPER**.

- ERF** Every **ERF** in the **DEVELOPMENT** which in terms of the subdivision of the **DEVELOPMENT** enjoys single residential use rights but specifically excluding erven 18361, 18362, 18363 and 18364 Stellenbosch; and Portion 348 (of the Remainder Farm 1286 Stellenbosch, Portion 4 of Farm 438 Stellenbosch and Farm 1478 Stellenbosch) as depicted on the approved Subdivision Plan 481-6c.1, dated 14 January 2009, all situated in the City of Cape Town, Western Cape Province.
- ERVEN** Every **ERF** in the **DEVELOPMENT** collectively, and includes immovable property transferred or to be transferred in accordance with the provisions hereto to the **MASTER ASSOCIATION** or **ASSOCIATION**, but excludes erven 18361, 18362, 18363 and 18364 Stellenbosch; and Portion 348 (of the Remainder Farm 1286 Stellenbosch, Portion 4 of Farm 438 Stellenbosch and Farm 1478 Stellenbosch) as depicted on the approved Subdivision Plan 481-6c.1, dated 14 January 2009; all situated in the City of Cape Town, Western Cape Province.
- GUIDE** The architectural guidelines prepared for and applicable to the **DEVELOPMENT** and includes all/any amendments made thereto from time to time.
- IMPROVEMENTS** Any structure of whatever nature constructed or erected or to be constructed or erected on an **ERF** or **RESIDENTIAL SECTION**.
- LEVY** The levy referred to in clause 13 hereof, and **LEVIES** shall have a corresponding meaning.
- LOCAL AUTHORITY** The local authority having jurisdiction over the **DEVELOPMENT** which, at date of approval of the

DEVELOPMENT	was the City of Cape Town.
LUPO	The Land Use Planning Ordinance No. 15/1985, as amended, and includes any substituted legislation.
MANAGING AGENT	Any person or body appointed by the MASTER ASSOCIATION as an independent contractor to undertake any of the functions of the MASTER ASSOCIATION .
MASTER ASSOCIATION	The Stellendale Master Home Owners Association which is bound by the provisions of this CONSTITUTION .
MEMBER	Every registered OWNER of an ERF or RESIDENTIAL SECTION , and every registered purchaser from time to time of an ERF or RESIDENTIAL SECTION in terms of a Sale of Land on Instalments Agreement, in terms of the Alienation of Land Act 68/1981, as amended, BODIES CORPORATE and ASSOCIATIONS . If a MEMBER consists of more than one person such persons shall be jointly and severally liable in solidum for all obligations in terms of this CONSTITUTION . MEMBERS shall have a corresponding meaning.
MEMBER TRUSTEE	A trustee appointed by the MEMBERS .
OWNER	The registered OWNER of an ERF or RESIDENTIAL SECTION and every registered purchaser from time to time of an ERF or RESIDENTIAL SECTION in terms of a Sale of Land on Instalments Agreement, in terms of the Alienation of Land Act 68/1981, as amended. OWNERS shall have a corresponding meaning.
RESIDENTIAL SECTION	A sectional title unit which is part of a sectional title scheme located within the DEVELOPMENT , together with such unit's undivided share in the common property of such sectional title scheme, and which is used for residential purposes, and RESIDENTIAL SECTIONS shall have a corresponding meaning.

RESOLUTION

A resolution passed at an annual general meeting or any other general meeting of the **MASTER ASSOCIATION** by an ordinary majority of the total votes represented at such meeting by **MEMBERS** present in person or by proxy.

TRUSTEES

The **DEVELOPER TRUSTEES** and the **MEMBER TRUSTEES** of the **MASTER ASSOCIATION**, collectively from time to time and includes alternate and co-opted **TRUSTEES**. **TRUSTEE** shall have a corresponding meaning.

2. **INTERPRETATION**

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

2.7 If any provision in a definition in this **CONSTITUTION** is a substantive provision conferring rights or imposing obligations on any of the **MEMBERS** then, notwithstanding that it is only in the definition clause of this **CONSTITUTION**, effect shall be given to it as if it were a substantive provision in the body of this **CONSTITUTION**.

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

3. **RECORDAL**

3.1 The **LOCAL AUTHORITY** when approving the application for subdivision to allow for the **DEVELOPMENT** imposed a condition in terms of section 29(1) of **LUPO** whereby the **OWNER** of each subdivided portion of the immovable property, being an **ERF** or a **RESIDENTIAL SECTION**, comprising the **DEVELOPMENT** and all successors in title shall be members of the **MASTER ASSOCIATION** in respect of the **DEVELOPMENT**.

3.2 The **DEVELOPER** is desirous of regulating and controlling harmonious development of the **DEVELOPMENT**.

4. **COMMENCEMENT DATE**

The **MASTER ASSOCIATION**, as contemplated in terms of section 29 of **LUPO**, will come into existence once this Constitution has been adopted at a General Meeting.

5. **STATUS**

5.1 The **MASTER ASSOCIATION** shall

5.1.1 have legal personality and be capable of suing and being sued in its own name;
and

5.1.2 not operate for profit but for the benefit of the **MEMBERS**.

5.2 No **MEMBER** in his personal capacity shall have any right, title or interest to or in the funds or assets of the **MASTER ASSOCIATION** which shall vest in and be controlled by the **TRUSTEES**.

6. **OBJECTS**

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

- 6.1 The matters referred to in section 29(2)(b) and (c) of **LUPO** and without detracting from the generality thereof to ensure compliance with the conditions for subdivision imposed by the **LOCAL AUTHORITY** when approving the **DEVELOPMENT** and, more specifically
- 6.1.1 to oversee, maintain and control the **DEVELOPMENT**;
 - 6.1.2 ensure a general high standard of the **DEVELOPMENT**;
 - 6.1.3 generally to promote, advance and protect the **DEVELOPMENT** and the interests of the **MASTER ASSOCIATION**, the **ASSOCIATIONS** and **BODIES CORPORATE**;
 - 6.1.4 the administration and maintenance of all Private Open Spaces, entrance control and coupled structures, the chapel, communal swimming pool/s, communal letter boxes, communal drying yards, other communal structures and/or facilities, and such other areas or structures as the **TRUSTEES**, in their sole and absolute discretion may decide, regardless as to whether such areas or structures are located within **ERVEN**, **RESIDENTIAL SECTIONS** or form part of the Common Property of **BODIES CORPORATE**;
 - 6.1.5 evaluating and making recommendations to the local government regarding all future applications for extensions to communal buildings / structures, as well as applications for temporary land use- and/or regulation departures with regard to all residential units within the **DEVELOPMENT**.
- 6.2 The regulation and control of harmonious development of the **DEVELOPMENT**.
- 6.3 To promote a high standard of **IMPROVEMENTS** on the **DEVELOPMENT**.
- 6.4 To administer and enforce the **GUIDE**.
- 6.5 To control the transfer of **ERVEN** and **RESIDENTIAL SECTIONS** in the **DEVELOPMENT** and the conditions imposed by the **LOCAL AUTHORITY** and conditions imposed in the Agreement of Sale concluded with the first **OWNER** of an **ERF** or **RESIDENTIAL SECTION**;
- and the **MASTER ASSOCIATION** shall have the power to do all such acts as are necessary to accomplish the fulfilment of the foregoing objects including, but not restricted, to powers specifically contained in this **CONSTITUTION**.

7. MEMBERSHIP

7.1 The **MASTER ASSOCIATION** shall have as its **MEMBERS**

7.1.1 the **DEVELOPER** for as long as the **DEVELOPER** remains an owner of any portion of the **DEVELOPMENT** and, without detracting from the generality of the foregoing, specifically including any **ERF** or **RESIDENTIAL SECTION**.

7.1.2 every **OWNER** upon registration of transfer of an **ERF** or **RESIDENTIAL SECTION** into his name, or upon registration of the contract in terms of a Sale of Land on Instalments Agreement, provided that where an **OWNER** comprises more than one person, such persons shall be deemed jointly to be one **MEMBER** of the **MASTER ASSOCIATION** and shall be responsible jointly and severally for the obligations of such membership.

7.1.3 every **BODY CORPORATE** established in respect of a Sectional Title Scheme within the **DEVELOPMENT**.

7.1.4 every **ASSOCIATION** established within the **DEVELOPMENT**.

7.2 An **OWNER** of an **ERF** or **RESIDENTIAL SECTION** shall be a **MEMBER** of the **MASTER ASSOCIATION** until he ceases to be the registered owner, or registered purchaser in terms of a Sale of Land on Instalments Agreement, of such **ERF** or **RESIDENTIAL SECTION**.

7.3 When a **MEMBER** ceases to be the registered owner, or registered purchaser in terms of a Sale of Land on Instalments Agreement, of an **ERF** or **RESIDENTIAL SECTION** he shall ipso facto cease to be a **MEMBER** of the **MASTER ASSOCIATION**.

8. PHASES

8.1 The **DEVELOPER** intends to develop and market the **DEVELOPMENT** in phases as the **DEVELOPER** deems fit and, for as long as the **DEVELOPER** is a **MEMBER** of the **MASTER ASSOCIATION**, the **DEVELOPER** shall enjoy unrestricted rights with regard to the marketing of the **DEVELOPMENT** and, in particular, the alienation of **ERVEN** or **RESIDENTIAL SECTIONS** (also by means of Sales of Land on Instalments in terms of the Alienation of Land Act 68/1981, as amended), and the right to erect signage within the **DEVELOPMENT**.

8.2 The **DEVELOPER** shall, in its absolute discretion, be entitled to apply for and subject to approval by the **LOCAL AUTHORITY**, vary the layout and/or zoning and/or size and/or boundaries of **ERVEN** and/or **RESIDENTIAL SECTIONS** and/or the extent and position of

streets 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** (represented by any one of its Directors) is irrevocably granted a power of attorney to grant any/all such consents on behalf of **MEMBERS**, as may be required.

9. MEMBERS' OBLIGATIONS

9.1 Every **MEMBER** is obliged to comply with

9.1.1 the provisions of this **CONSTITUTION** and all rules or regulations passed by the **MASTER ASSOCIATION** or the **TRUSTEES**;

9.1.2 the provisions of the **GUIDE**;

9.1.3 any agreement concluded by the **MASTER ASSOCIATION** insofar as such agreement may directly or indirectly impose obligations on a **MEMBER**;

9.1.4 any directive given by the **MASTER ASSOCIATION** and/or the **TRUSTEES** in enforcing the provisions of this **CONSTITUTION**.

9.2 The rights and obligations of a **MEMBER** are not transferable and every **MEMBER** shall

9.2.1 to the best of his ability, further the objects and interests of the **MASTER ASSOCIATION**;

9.2.2 observe all directives made or given by the **MASTER ASSOCIATION** and/or the **TRUSTEES**.

9.3 The **MEMBERS** shall be jointly liable for expenditure incurred in connection with the **MASTER ASSOCIATION** as more fully later referred to herein.

9.4 A **MEMBER** shall not be entitled to **ALIENATE** or transfer an **ERF** or **RESIDENTIAL SECTION** without the written consent of the **DEVELOPER** for as long as the **DEVELOPER** is a **MEMBER** and, thereafter, by the **TRUSTEES** which consent shall not be unreasonably withheld provided there has been compliance with the provisions of this **CONSTITUTION**.

9.5 A **MEMBER** shall not consolidate an **ERF** or **RESIDENTIAL SECTION** with one or more **ERVEN** or **RESIDENTIAL SECTIONS** without the written consent of the **DEVELOPER** for as long as the **DEVELOPER** is a **MEMBER** and, thereafter, of the **TRUSTEES**.

9.6 A **MEMBER** shall not **ALIENATE** an **ERF** or **RESIDENTIAL SECTION** unless



- 9.6.1 the proposed transferee has irrevocably bound himself to become a member of the **MASTER ASSOCIATION** and to observe the **CONSTITUTION** for the duration of his ownership of the **ERF** or **RESIDENTIAL SECTION**;
- 9.6.2 the **MASTER ASSOCIATION** has issued a clearance that all amounts owing to the **MASTER ASSOCIATION** by such **MEMBER** have been paid and that the **MEMBER** is not in breach of any of the provisions of this **CONSTITUTION**;
- 9.6.3 the proposed transferee acknowledges that upon the registration of transfer of the **ERF** or **RESIDENTIAL SECTION** into his name, he shall ipso facto become a **MEMBER** of the **MASTER ASSOCIATION**;
- 9.6.4 where the proposed transferee is not a natural person or persons, but an entity such as a company, close corporation, trust or association, and where the **TRUSTEES** have so required, that such directors, members or trustees (as the case may be) have bound themselves as sureties and co-principal debtors with the transferee in favour of the **MASTER ASSOCIATION**.
- 9.7 The following condition shall be inserted in the title deeds to each of the **ERVEN** and **RESIDENTIAL SECTIONS** in the **DEVELOPMENT** which condition is imposed at the behest of the **LOCAL AUTHORITY** in favour of the **MASTER ASSOCIATION** binding each **OWNER** and all successors in title:
- "The property shall not be transferred without the written consent of the Stellendale Home Owners **MASTER ASSOCIATION** of which the within transferee and his successors in title shall automatically become a member."
- 9.8 No **MEMBER** shall let or otherwise part with the occupation of his **ERF** or **RESIDENTIAL SECTION** whether temporarily or otherwise unless the proposed occupier has agreed to be bound by this **CONSTITUTION**. The **MEMBER** shall, nonetheless, remain bound by this **CONSTITUTION** and is required to ensure compliance therewith by such occupier.
- 9.9 A **MEMBER** may not resign from the **MASTER ASSOCIATION**.

10. IMPROVEMENTS AND ALTERATIONS

- 10.1 The **GUIDE** constitutes an integral part of this **CONSTITUTION** and for as long as the **DEVELOPER** is a **MEMBER** the **GUIDE** may be amended, substituted, added to or repealed only at the instance of the **DEVELOPER** and, thereafter, by the **TRUSTEES**.

- 10.2 All **IMPROVEMENTS** shall be of approved design and of sound construction and shall comply with the provisions of the **GUIDE**.
- 10.3 No construction or erection of **IMPROVEMENTS** on an **ERF** or **RESIDENTIAL SECTION** may commence prior to the approval of plans for such **IMPROVEMENTS** and, in this regard
- 10.3.1 a full set of proposed building plans which indicate both construction and design details shall be submitted to the **MASTER ASSOCIATION** for approval;
- 10.3.2 thereafter, the approved plans shall be submitted to the **LOCAL AUTHORITY** for approval;
- 10.3.3 having obtained the approval of the **LOCAL AUTHORITY**, the **MEMBER** shall comply with all conditions and standards imposed by the **LOCAL AUTHORITY** insofar as these may be additional to the requirements of the **GUIDE** read with the plans.
- 10.4 Approval of building plans will not be granted by the **LOCAL AUTHORITY** without the prior written approval of the **MASTER ASSOCIATION** which approval shall be evidenced by the stamp of the **MASTER ASSOCIATION**. The **MASTER ASSOCIATION** shall be the sole judge as to whether the building plans conform to the **GUIDE** and the decision of the **MASTER ASSOCIATION** shall be final and binding upon the **OWNER** submitting such building plans.
- 10.5 The **MASTER ASSOCIATION** has appointed the **DEVELOPER** as its agent for the purpose of approval of proposed building plans. All proposed building plans relating to any **ERF** or **RESIDENTIAL SECTION** within the **DEVELOPMENT** are to be submitted to the **MANAGING AGENT** as appointed by the **MASTER ASSOCIATION** from time to time.
- 10.6 Upon termination of the **DEVELOPER's** appointment, the **MASTER ASSOCIATION** will retain the responsibility of approving (or otherwise) proposed building plans submitted to it through the offices of the **MANAGING AGENT**.

11. FURTHER OBLIGATIONS OF MEMBERS

Each **MEMBER** shall

- 11.1 maintain his **ERF** or **RESIDENTIAL SECTION** in accordance with the **GUIDE** and the **BODY CORPORATE** rules respectively;

- 11.2 maintain in a neat and tidy condition and in a state of good repair all **IMPROVEMENTS** on his **ERF** or **RESIDENTIAL SECTION**;
- 11.3 establish and maintain a garden according to a standard acceptable to the **TRUSTEES**, as well as maintaining the road verge bordering his **ERF** or **RESIDENTIAL SECTION**;
- 11.4 be responsible for the maintenance of external and boundary walling inclusive of regular painting thereof;
- 11.5 not park any commercial type vehicle, boat, caravan, trailer or any vehicle not in good working order on any roadway in the **DEVELOPMENT** and such vehicle/boat/caravan/trailer shall be parked on the **MEMBER's ERF** or **MEMBER'S** parking bay so as not to be visible from the street;
- 11.6 not do or suffer to be done on any **ERF** or **RESIDENTIAL SECTION** anything which, in the opinion of the **TRUSTEES**, is noisome, unsightly, injurious, objectionable or detrimental or a public or private nuisance or a source of damage or disturbance to any **MEMBER**, tenant or occupier of any **ERF** or **RESIDENTIAL SECTION** in the **DEVELOPMENT**;
- 11.7 not, during construction/erection of **IMPROVEMENTS**, permit the erection of more than 1 (one) advertising board on an **ERF** or **RESIDENTIAL SECTION** and such permitted board shall not have a surface area exceeding 1 (one) square metre and shall be removed immediately upon conclusion of the building contract for the **IMPROVEMENTS**;
- 11.8 not erect or permit the erection of any advertising boards on any **ERF** or **RESIDENTIAL SECTION** without the written approval of the **TRUSTEES** or the **MANAGEMENT AGENT**;
- 11.9 adequately insure the **IMPROVEMENTS** on his **ERF** or **RESIDENTIAL SECTION** and, if requested by the **TRUSTEES**, furnish proof of such insurance to them and, in the event of total/partial destruction, he shall, within a reasonable time period, make good such damage or reconstruction in accordance with the original approved plans or, in the event of total destruction in accordance with the **GUIDE**;
- 11.10 where the erection of structures to house animals or birds or the construction/erection of garden/tool shed/s is permitted, such structures shall be screened from public view and the animals or birds so housed shall not constitute a disturbance or nuisance to **MEMBERS** or their tenants or occupiers and the **TRUSTEES** shall, in their absolute discretion, be entitled to require the permanent removal from the **DEVELOPMENT** of any animals or birds which, in the opinion of the **TRUSTEES**, constitute a disturbance or nuisance;
- 11.11 comply with all security procedures implemented from time to time;

- 11.12 generally ensure that gardening and landscaping of his **ERF** or **RESIDENTIAL SECTION** is undertaken so as to be compatible with the gardening and landscaping of adjoining **ERVEN** or **RESIDENTIAL SECTIONS**;
- 11.13 ensure that his dog is kept on a leash in all open areas within the **DEVELOPMENT** and is controlled to ensure that other dogs or people are not interfered with;
- 11.14 ensure that he and his invitees do not damage or destroy trees, vegetation and landscaping on open areas of the **DEVELOPMENT** and that planting on his **ERF** or **RESIDENTIAL SECTION** does not interfere with pedestrian traffic or obscure the vision of motorists.

12. RESTRICTIONS

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

- 12.2.2.4 the projected growth of the business operation;
 - 12.2.2.5 whether any **IMPROVEMENTS** is proposed, or any alteration to existing **IMPROVEMENTS** is proposed;
 - 12.2.2.6 in which portion of the **IMPROVEMENTS** the business activity is to be located;
 - 12.2.2.7 the number and type of vehicles which will be regularly involved in the business operation;
 - 12.2.2.8 the estimated number of visitors per week resulting from the business operation;
 - 12.2.2.9 the estimated number of deliveries necessitated by the business operation;
 - 12.2.2.10 what provision is to be made for parking;
 - 12.2.2.11 the likely impact of the business operation on neighbouring properties and the neighbourhood in general.
- 12.2.3 The **TRUSTEES** shall not approve any such application unless they are satisfied that the application complies with the following:
- 12.2.3.1 the business operation will not detrimentally alter the character of the neighbourhood or affect the privacy and rights of neighbours;
 - 12.2.3.2 the number of employees involved in the running of the business operation will not exceed 2 (two);
 - 12.2.3.3 the **MEMBER** will reside permanently on the **ERF** or **RESIDENTIAL SECTION** in respect whereof the application is made;
 - 12.2.3.4 **MEMBERS** who are affected by the application are in agreement therewith;
 - 12.2.3.5 adequate provision has been made for parking within the **ERF** or outside of the **RESIDENTIAL SECTION** and the landscaping of the **ERF** or **RESIDENTIAL SECTION** will be suitable for the type of business contemplated and that no parking of vehicles off the **ERF** or outside of

the **RESIDENTIAL SECTION** within the **DEVELOPMENT** will result from the business operation;

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

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

12.2.3.8 no signage will be erected;

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

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

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

12.3 No member shall permit the number of occupants of his **ERF** or **RESIDENTIAL SECTION** to exceed 2 (two) persons per bedroom. The word "occupants" shall include but shall not be limited to any person who resides or stays on such **ERF** or **RESIDENTIAL SECTION** on a regular or occasional basis irrespective of whether such person is related to or is financially dependant upon the **OWNER** or whether such person pays rental or gives any other form of consideration in respect of such **ERF** or **RESIDENTIAL SECTION** or any portion thereof.

12.4 No member shall be permitted to take occupation of a dwelling on his **ERF** or a **RESIDENTIAL SECTION** until such time as an Occupation Certificate has been issued by both the **LOCAL AUTHORITY** and the **MASTER ASSOCIATION**.

13. **LEVIES**

13.1 The **TRUSTEES** shall

- 13.1.1 establish and maintain a levy fund for the purposes of meeting all expenses of the **MASTER ASSOCIATION** for the control, management and administration of the **DEVELOPMENT** and for charges for the supply of any services required by the **MASTER ASSOCIATION** and/or for payment of all expenses necessary or reasonably incurred in connection with the management of the **MASTER ASSOCIATION**;
- 13.1.2 estimate the amount which will be required by the **MASTER ASSOCIATION** to meet its expenses during each year, together with such estimated deficiency, if any, as shall result from the preceding year and may include in such estimate an amount to be held in reserve to meet anticipated future expenditure not of an annual nature;
- 13.1.3 require **MEMBERS** whenever necessary to make contributions to such fund for the purposes of satisfying the expenses referred to in clauses 13.1.1 and 13.1.2, to equal as nearly as is reasonably practical such estimated amount.
- 13.2 The **TRUSTEES** may, from time to time, make special levies upon **MEMBERS** effective from the date of passing of the applicable **RESOLUTION** in respect of such expenses referred to in clause 13.1 (which are not included in any estimate made in terms of clause 13.1.2) and such levies may be imposed and shall be payable in one sum or by such instalments and at such time or times as the **TRUSTEES** shall deem fit.
- 13.3 The **DEVELOPER** shall not pay any levy on any **ERVEN, RESIDENTIAL SECTIONS**, and parking bays which are unsold or not transferred or registered into the name of an **OWNER** or the **MASTER ASSOCIATION**, and shall not ever pay any levy on any private open spaces, staircases, walkways, storage rooms, bin rooms, letter boxes, drying yards or any other communal structure and/or facilities. Where the Developer has entered into an Instalment Sale Agreement pursuant to the provisions of Alienation of Land Act of 1981, in respect of any **ERF** or **RESIDENTIAL SECTION**, then and in such event the purchaser of such **ERF** or **RESIDENTIAL SECTION** shall be liable to pay levies to the **MASTER ASSOCIATION** as from the date on which the said Sale Agreement has been recorded in the Deeds Office in terms of section 20 of the said Act.
- 13.4 Any amount due by a **MEMBER** by way of a levy shall be a debt due by him to the **MASTER ASSOCIATION** payable within such time as determined by the **TRUSTEES**. The obligation of a **MEMBER** to pay a levy shall cease upon his ceasing to be a **MEMBER** save that he shall remain liable for all levies calculated up to the date upon which he ceases to be a **MEMBER**. No levies paid by a **MEMBER** shall be repayable by the **MASTER**

ASSOCIATION upon his ceasing to be a **MEMBER**. A **MEMBER**'s successor in title to an **ERF** or **RESIDENTIAL SECTION** shall be liable as from the date upon which he becomes a **MEMBER** pursuant to the transfer or registration of such **ERF** or **RESIDENTIAL SECTION** to pay the levies attributable to that **ERF** or **RESIDENTIAL SECTION**. No **MEMBER** shall be entitled to transfer his **ERF** or **RESIDENTIAL SECTION** until the **TRUSTEES** have certified that the **MEMBER** has, at the date of transfer, paid all amounts owing by him to the **MASTER ASSOCIATION**.

- 13.5 In calculating levies, the **TRUSTEES** shall take into account income, if any, earned by the **MASTER ASSOCIATION** and the allocation of voting rights to **MEMBERS** as recorded herein. Furthermore, the levies shall be calculated by determining the expenses and liabilities which are common to all of the **ERVEN** and **RESIDENTIAL SECTIONS** within the **DEVELOPMENT** and excluded from such calculation shall be the expenses and liabilities which are unique to any **ASSOCIATION** or **BODY CORPORATE** or group of **ERVEN**, As such, it is acknowledged that, in addition to the levies payable to the **MASTER ASSOCIATION**, **MEMBERS** may also be liable to pay levies to a **BODY CORPORATE** or **ASSOCIATION** of which they are members in respect of expenses or liabilities which are unique to such **BODY CORPORATE** or **ASSOCIATION**.
- 13.6 The decision of the **TRUSTEES** in calculating the levies shall be final and binding on all **MEMBERS**.
- 13.7 The levy payable by a **MEMBER** shall bear the same proportion to the total levy imposed on **MEMBERS** as that **MEMBER**'s voting right bears to the aggregate of voting rights of all **MEMBERS**, subject to the condition however that the **TRUSTEES** shall be entitled to determine that the levies payable by **MEMBERS** be calculated in accordance with such other formula as they may deem appropriate.
- 13.8 No **MEMBER** shall be entitled to any of the privileges of membership unless and until he shall have paid every levy and other sum (if any) which shall be due and payable to the **MASTER ASSOCIATION** in respect of his membership thereof.
- 13.9 All levies are due and payable on a monthly basis, in advance, and shall be paid by **MEMBERS** on the first day of each and every month. If so required, **MEMBERS** shall sign Debit Orders for the deduction of the levies so payable.
- 13.10 **MEMBERS** shall be liable for payment of interest on outstanding amounts at a rate determined by the **TRUSTEES** from time to time but not exceeding the maximum annual rate permitted by law. Interest calculated at the determined rate is recoverable from the date on

which the amount is due and payable to the date of payment provided that any portion of a month will be regarded as a full calendar month for the purposes of this calculation.

14. BREACH

14.1 The **TRUSTEES** may on behalf of and in the name of the **MASTER ASSOCIATION** institute legal proceedings in accordance with the provisions of this clause 14.

14.2 If any **MEMBER** fails in the observance of any of the provisions of this **CONSTITUTION** with regard to **IMPROVEMENTS** and/or the provisions of the **GUIDE** and/or fails to comply with any rules or regulations made in terms thereof, the **TRUSTEES** may on behalf of and in the name of the **MASTER ASSOCIATION** serve notice on such **MEMBER** calling upon him to remedy such breach within a time specified in such notice and, failing timeous compliance:

14.2.1 enter upon the **ERF** or **RESIDENTIAL SECTION** to take such action as may be reasonably required to remedy the breach and the **MEMBER** concerned shall be liable to the **MASTER ASSOCIATION** for all costs so incurred, which costs shall be due and payable upon demand;

and/or

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

and/or

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

14.3 If any **MEMBER** fails to make payment on due date of levies or other amounts payable by such **MEMBER**, the **TRUSTEES** may give notice to such **MEMBER** requiring him to remedy such breach within such period as the **TRUSTEES** may determine and should he fail to timeously remedy his breach, the **TRUSTEES** may, on behalf of the **MASTER ASSOCIATION**, institute legal proceedings against such **MEMBER** without further notice

and such **MEMBER** will be liable for and shall pay all legal costs on the scale as between attorney and own client together with collection commission and any other expenses and charges incurred by the **MASTER ASSOCIATION** in obtaining recovery.

- 14.4 Nothing in the foregoing shall derogate from or in any way diminish the right of the **MASTER ASSOCIATION** to institute proceedings in any court of competent jurisdiction for recovery of any money due by any **MEMBER** arising from any cause of action whatsoever or for any other relief.
- 14.5 In the event of any breach of this **CONSTITUTION** by the members of any **MEMBER's** household or his invitees or lessees, such breach shall be deemed to have been committed by the **MEMBER** himself but, without prejudice to the foregoing, the **TRUSTEES** shall be entitled to take or cause to be taken such steps against the person actually committing the breach as they may in their discretion deem fit, with or without proceedings against the **MEMBER**.
- 14.6 The **MEMBER** hereby consents to the jurisdiction of the Magistrates Court in terms of section 45 of the Magistrates Court Act of 1944 in respect of any court proceedings to be instituted against the **MEMBER** pursuant to a breach of this **CONSTITUTION**, the **GUIDE**, the Occupancy and Conduct Rules, **RESOLUTIONS** and/or any other rules made.

15. **TRUSTEES**

- 15.1 The **TRUSTEES** of the **MASTER ASSOCIATION** shall comprise 5 (five) **DEVELOPER TRUSTEES** until the first annual general meeting of the **MASTER ASSOCIATION** whereupon the number of **TRUSTEES** shall, whilst the **DEVELOPER** remains a **MEMBER** of the **MASTER ASSOCIATION**, not exceed 15 (Fifteen), but not be less than 9 (Nine), subject to the **DEVELOPER'S** right, whilst a **MEMBER**, to either increase or reduce the number of **TRUSTEES** subject to the aforesaid limits, of which no less than 51% (Fifty One Percent) and no more than 60% (Sixty Percent) of the total number of **TRUSTEES** shall comprise of **DEVELOPER TRUSTEES** and the remaining percentage shall comprise of **MEMBER TRUSTEES**, and upon the **DEVELOPER** ceasing to be a **MEMBER**, all of the **TRUSTEES** shall be **MEMBER TRUSTEES**, save that the **MASTER ASSOCIATION** shall in a general meeting held after the **DEVELOPER** has ceased to be a **MEMBER** be entitled to increase or decrease the number of **TRUSTEES**. After the **DEVELOPER** has ceased to be a **MEMBER** of the **MASTER ASSOCIATION**, the **MASTER ASSOCIATION** should strive to have each of the 12 (Twelve) precincts making up the **DEVELOPMENT** as reflected in the Layout of the **DEVELOPMENT**, to be represented on the **MASTER ASSOCIATION** by a **TRUSTEE** so appointed by them.

- 15.2 A **TRUSTEE** shall be an individual but need not himself be a **MEMBER** provided that the majority of **MEMBER TRUSTEES** shall be **MEMBERS**.
- 15.3 A **TRUSTEE** shall, by accepting his appointment as such, be deemed to have agreed to be bound by the provisions of this **CONSTITUTION**.
- 15.4 The **DEVELOPER** shall appoint the first **DEVELOPER TRUSTEES** upon formation of the **MASTER ASSOCIATION**.
- 15.5 Subject to the provisions of clause 15.6, each **MEMBER TRUSTEE** shall continue to hold office until the annual general meeting of the **MASTER ASSOCIATION** following his appointment, at which meeting each **MEMBER TRUSTEE** shall be deemed to have retired from office as such but will be eligible for re-election at such meeting. The **DEVELOPER** shall, by written notice to the **TRUSTEES**, be entitled to remove any **DEVELOPER TRUSTEE** appointed by the **DEVELOPER** and upon such removal or upon any **DEVELOPER TRUSTEE** ceasing to hold office for any other reason, by written notice, appoint in their stead another person or persons.
- 15.6 A **TRUSTEE** shall be deemed to have vacated his office as such upon:
- 15.6.1 his estate being sequestered, whether provisionally or finally or upon the surrendering of his estate;
 - 15.6.2 him making any arrangement or composition with his creditors;
 - 15.6.3 his conviction for any offence involving dishonesty;
 - 15.6.4 him becoming of unsound mind or being found lunatic;
 - 15.6.5 him resigning from such office in writing;
 - 15.6.6 his death;
 - 15.6.7 him being removed from office by a resolution of **TRUSTEES**;
 - 15.6.8 he being disentitled to exercise a vote in terms of this **CONSTITUTION** provided he is a **MEMBER TRUSTEE**.
- 15.7 Notwithstanding the fact that a **TRUSTEE** shall be deemed to have vacated his office as provided in clause 15.6, anything done by such **TRUSTEE** in the capacity of a **TRUSTEE** in good faith shall be valid until the fact that he is no longer a **TRUSTEE** and it has been recorded in the Minute Book of the **TRUSTEES**. Should the office of a **TRUSTEE** fall vacant

prior to the next annual general meeting of the **MASTER ASSOCIATION**, the vacancy in question may be filled by the **DEVELOPER** if the vacancy is in respect of a **DEVELOPER TRUSTEE** and by the remaining **MEMBER TRUSTEES** if the vacancy is in respect of a **MEMBER TRUSTEE** and the person so appointed shall hold office until the next annual general meeting.

- 15.8 The first **CHAIRMAN** shall be appointed by the **DEVELOPER** and shall hold office until the first annual general meeting provided that such office shall ipso facto be vacated by the **TRUSTEE** who was appointed **CHAIRMAN** upon his ceasing to be a **TRUSTEE** for any reason.
- 15.9 Within 7 (seven) days of the holding of each annual general meeting of the **MASTER ASSOCIATION** the **TRUSTEES** shall meet and shall elect from their own number the **CHAIRMAN** who shall hold office until the annual general meeting held next after his appointment, provided that the office of **CHAIRMAN** shall ipso facto be vacated by the **TRUSTEE** holding such office upon his ceasing to be a **TRUSTEE** for any reason. In the event of any vacancy occurring in the aforesaid office the **TRUSTEES** shall meet as soon as reasonably possible to appoint one of their number as a replacement in such office. For as long as the **DEVELOPER** is a **MEMBER**, the **CHAIRMAN** shall be a **DEVELOPER TRUSTEE**, unless the **DEVELOPER** agrees in writing to the appointment of a **MEMBER TRUSTEE** to the office of **CHAIRMAN**.
- 15.10 Save as otherwise provided in this **CONSTITUTION**, the **CHAIRMAN** shall preside at all meetings of the **TRUSTEES** and all general meetings of the **MASTER ASSOCIATION** and shall perform all duties incidental to the office of **CHAIRMAN** and such other duties as may be prescribed by the **TRUSTEES** or by **MEMBERS** and shall allow or refuse to permit guests to speak at any such meetings, provided that any such guest shall not be entitled to vote at any meetings and provided further that a **MEMBER's** spouse shall be entitled to speak at any meeting.
- 15.11 If the **CHAIRMAN** vacates the chair during the course of a meeting or is not present or is, for any other reason, unable to preside at any meeting, the **TRUSTEES** present at such meeting shall choose another **CHAIRMAN** for such meeting.
- 15.12 If any **CHAIRMAN** vacates his office as **CHAIRMAN** or no longer continues in office for any reason, the **TRUSTEES** shall elect another **CHAIRMAN**, which **CHAIRMAN** shall be a **DEVELOPER TRUSTEE** for as long as the **DEVELOPER** is a **MEMBER**, unless the **DEVELOPER** agrees in writing to the appointment of a **MEMBER TRUSTEE** to the office of

CHAIRMAN, who shall hold office as such for the remainder of the period of office of the first mentioned **CHAIRMAN**.

- 15.13 A **TRUSTEE** may be disqualified from voting in respect of any contract or proposed contract or any litigation or proposed litigation or any dispute, with the **MASTER ASSOCIATION**, by virtue of any interest he may have therein.
- 15.14 No contract concluded on behalf of the **TRUSTEES** shall be valid and binding unless it is signed by the **CHAIRMAN** and one **TRUSTEE**, the latter specifically appointed as authorised signatory in terms of the **RESOLUTION** of **TRUSTEES** whereby the **TRUSTEES** bind the **MASTER ASSOCIATION**.
- 15.15 **TRUSTEES** shall be entitled to be repaid all reasonable and bona fide expenses incurred by them in or about the performance of their duties as **TRUSTEES** and/or **CHAIRMAN**, as the case may be, but save as aforesaid, shall not be entitled to any other remuneration, fees or salary in respect of the performance of such duties.
- 15.16 **TRUSTEES** may not make loans on behalf of the **MASTER ASSOCIATION** to **MEMBERS** or to themselves.

16. **FUNCTIONS, POWERS AND DUTIES OF TRUSTEES**

- 16.1 Subject to the express provision of this **CONSTITUTION**, the **TRUSTEES** shall manage and control the business and affairs of the **MASTER ASSOCIATION**, and by virtue of the fact that the **BODIES CORPORATE** also constitute **MEMBERS** of the **MASTER ASSOCIATION**, to administer and manage the affairs of such **BODIES CORPORATE** to the extent that same may be permitted in terms of the Sectional Titles Act 95/1986, as amended, and shall have full powers in the management and direction of such business and affairs, including the right of appointment and dismissal of any managing agent of the **BODIES CORPORATE** or the **MANAGING AGENT** of the **MASTER ASSOCIATION**, and may exercise all such powers of the **MASTER ASSOCIATION** and do all such acts on behalf of the **MASTER ASSOCIATION** as may be exercised and done by the **MASTER ASSOCIATION** and as are not by this **CONSTITUTION** required to be exercised or done by the **MASTER ASSOCIATION** in general meeting subject however to such regulations as may have been made by the **MASTER ASSOCIATION** in general meeting provided that no regulation made by the **MASTER ASSOCIATION** in general meeting shall invalidate any prior act of the **TRUSTEES** which would have been valid if such regulation had not been made.
- 16.2 Save as specifically provided in this **CONSTITUTION**, the **TRUSTEES** shall at all times have the right to engage on behalf of the **MASTER ASSOCIATION** the services of accountants,

advocates, attorneys, auditors, architects, engineers, land surveyors, managing agents, town planners or any other professional firm or person or other employees whatsoever for any reason deemed necessary by the **TRUSTEES** on such terms as the **TRUSTEES** shall decide.

- 16.3 The **TRUSTEES** shall have the right to vary, cancel or modify any of their decisions and resolutions from time to time.
- 16.4 The **TRUSTEES** shall have the right to co-opt any person or persons chosen by them. A co-opted **TRUSTEE** shall enjoy all the rights and be subject to all the obligations of the **TRUSTEES** provided that such co-opted **TRUSTEE** shall only serve until the next annual general meeting.
- 16.5 The **TRUSTEES** may, should they so decide, investigate any suspected or alleged breach by any **MEMBER** or **TRUSTEE** of this **CONSTITUTION** in such reasonable manner as they shall decide from time to time.
- 16.6 The **TRUSTEES** may make, amend, revoke and waive regulations and rules not inconsistent with this **CONSTITUTION** or any regulations or rules prescribed by the **MASTER ASSOCIATION**, including but not limited to those embodied in this **CONSTITUTION**, the **GUIDE**, the Occupancy and Conduct Rules:
- 16.6.1 as to the resolution of disputes generally;
- 16.6.2 for the furtherance and promotion of any of the objects of the **MASTER ASSOCIATION**;
- 16.6.3 for the better management of the affairs of the **MASTER ASSOCIATION**;
- 16.6.4 for the advancement of the interests of **MEMBERS**;
- 16.6.5 for the conduct of **TRUSTEES** at meetings of **TRUSTEES** and meetings of the **MASTER ASSOCIATION**;
- 16.6.6 to levy and collect contributions from **MEMBERS** in accordance with clause 13;
- 16.6.7 to levy and recover from **MEMBERS** funds which are necessary to defray the necessary expenses of the **LOCAL AUTHORITY** in the event of the **LOCAL AUTHORITY** imposing any levies and imposts against the **MASTER ASSOCIATION**;

16.6.8 to assist it in administering and governing its activities generally.

16.7 Without in any way limiting the powers granted, the duties and powers of the **TRUSTEES** shall further specifically include:

16.7.1 the determination of what constitutes appropriate standards for residential living, maintenance, repairs, additions to and **IMPROVEMENTS** of all **ERVEN** or **RESIDENTIAL SECTIONS** in the **DEVELOPMENT** in strict accordance with the provisions of the **GUIDE** which shall be additional to the powers of the **DEVELOPER** for as long as the **DEVELOPER** is a **MEMBER**. The **TRUSTEES** shall be entitled to require any **MEMBER**, who shall be obliged, to repaint or renovate his **IMPROVEMENTS** if in the reasonable opinion of the **TRUSTEES** such **IMPROVEMENTS** require essential repairs or have become dilapidated;

16.7.2 entering into of agreements with third parties on behalf of the **MASTER ASSOCIATION** for any purposes of the **MASTER ASSOCIATION**;

16.7.3 the employment on behalf of the **MASTER ASSOCIATION** of agents, servants and any other party and the payment of such persons;

16.7.4 the taking of steps in all matters of common interest in respect of the **MASTER ASSOCIATION** and, without detracting from the generality thereof, such as common sewage, electricity supply, landscaping, maintenance of private roads, refuse facilities, removal of refuse and suchlike, where applicable;

16.7.5 the institution or defence of actions in the name of the **MASTER ASSOCIATION** and to appoint legal representatives for such purpose;

16.7.6 the establishment of such committees and sub-committees comprising of persons who are not necessarily **TRUSTEES** or **MEMBERS**, for the purposes of attending to any matter that the **TRUSTEES** may decide..

17. **PROCEEDINGS OF TRUSTEES**

17.1 The **TRUSTEES** may meet for the dispatch of business, adjourn and otherwise regulate their meetings as they deem fit, subject to the provisions of this **CONSTITUTION**.

17.2 Meetings of the **TRUSTEES** shall be held at least once every 6 (six) months.

17.3 The **CHAIRMAN** always has the right to convene meetings of **TRUSTEES**.

- 17.4 A **TRUSTEE** may, provided he has the support in writing of 2 (two) other **TRUSTEES**, at any time convene a meeting of **TRUSTEES** by giving to the other **TRUSTEES** not less than 14 (fourteen) days written notice of a meeting proposed by him, which notice shall specify the reason for calling such a meeting; provided that in cases of urgency, such shorter notice as is reasonable in the circumstances may be given.
- 17.5 A **RESOLUTION** in writing signed by all the **TRUSTEES** shall be valid and effectual as if it had been passed at a meeting of **TRUSTEES** duly called and constituted.
- 17.6 The quorum necessary for the holding of any meeting of **TRUSTEES** shall be a majority of the total number of **TRUSTEES** present, provided that, for as long as the **DEVELOPER** is a **MEMBER**, such quorum shall be made up of a majority of **DEVELOPER TRUSTEES**. If no quorum is present within 15 (fifteen) minutes after the time for commencement of the meeting then it shall stand adjourned for the same time and place on the following day which is not a Saturday, Sunday or public holiday and, if at such adjourned meeting, a quorum is not present within 30 (thirty) minutes after the time appointed for the meeting, the **TRUSTEES** then present shall be a quorum.
- 17.7 Any **RESOLUTION** of the **TRUSTEES** shall be carried by a simple majority of all votes cast. In the case of an equality of votes for and against a **RESOLUTION**, the **CHAIRMAN** shall have a second or casting vote.
- 17.8 A **RESOLUTION** signed by all the **TRUSTEES** shall be valid in all respects as if it had been duly passed at a meeting of **TRUSTEES** duly convened.
- 17.9 The **CHAIRMAN** shall preside as such at all meetings of **TRUSTEES** provided that, should at any meeting of **TRUSTEES** the **CHAIRMAN** not be present within 15 (fifteen) minutes after the time appointed for the holding thereof, those present of the **TRUSTEES** shall vote to appoint a **CHAIRMAN** for the meeting who shall thereupon exercise all the powers and duties of the **CHAIRMAN** in relation to such meeting.
- 17.10 A **TRUSTEE** may be represented at a meeting of **TRUSTEES** by a proxy provided such proxy is a **TRUSTEE**.
- 17.11 The instrument appointing a proxy shall be in writing and signed by the **TRUSTEE** concerned but need not be in any particular form. The proxy shall be deposited with the **CHAIRMAN** at any time before the time appointed for the commencement of a meeting and shall be valid only for such meeting or any adjournment thereof.
- 17.12 The **TRUSTEES** shall

- 17.12.1 ensure that minutes are taken of every meeting of **TRUSTEES**, although not necessarily verbatim, which minutes shall be reduced to writing without undue delay after the meeting has closed and shall then be certified correct by the **CHAIRMAN** of the meeting;
- 17.12.2 cause such minutes to be kept of all meetings of the **TRUSTEES** in a minute book of meetings of **TRUSTEES** kept for that purpose;
- 17.12.3 keep all books of meetings of **TRUSTEES** in perpetuity;
- 17.12.4 on the written application of any **MEMBER**, make all minutes of their proceedings available for inspection by such **MEMBER**.
- 17.13 All **RESOLUTIONS** recorded in the minutes of any meeting of **TRUSTEES** shall be valid and of full force and effect as therein recorded with effect from the passing of such **RESOLUTIONS** and until varied or rescinded, but no **RESOLUTION** or purported **RESOLUTION** of **TRUSTEES** shall be of any force or effect or shall be binding upon the **MEMBERS** or any of the **TRUSTEES** unless such **RESOLUTION** is competent within the powers of the **TRUSTEES**.
- 17.14 Save as otherwise provided in this **CONSTITUTION**, the proceedings at any meeting of **TRUSTEES** shall be conducted in such reasonable manner and form as the **CHAIRMAN** of the meeting shall decide.
18. **MANAGING AGENT**
- 18.1 The **TRUSTEES** shall, in addition to the powers contained herein, have the power from time to time, if deemed necessary, to appoint in terms of a written contract, a **MANAGING AGENT** to control, manage and administer the **DEVELOPMENT** and to exercise such powers and duties as may be entrusted to the **MANAGING AGENT**, including the power to collect **LEVIES**, provided that a **MANAGING AGENT** shall be appointed for a year at a time, and unless the **TRUSTEES** notify the **MANAGING AGENT** to the contrary, such appointment will be automatically renewed from year to year.
- 18.2 The **TRUSTEES** shall ensure that there is included in the contract of appointment of a **MANAGING AGENT** a provision to the effect that if the **MANAGING AGENT** is in breach of any of the provisions of his contract or if he is guilty of conduct which at common law would justify the termination of a contract between master and servant, the **TRUSTEES** may, without notice, cancel such contract of employment and the **MANAGING AGENT** shall have

no claim whatsoever against the **TRUSTEES** and/or the **MASTER ASSOCIATION** as a result of such cancellation.

19. **GENERAL MEETINGS OF THE MASTER ASSOCIATION**

- 19.1 The **MASTER ASSOCIATION** shall, within 12 (twelve) months of the date of commencement of the **MASTER ASSOCIATION** hold a general meeting as its first annual general meeting. Thereafter, within 3 (three) months of the financial year end of the **MASTER ASSOCIATION** it shall hold second and subsequent annual general meetings.
- 19.2 Such annual general meetings shall be held at such time and place, subject to the foregoing provisions, as the **TRUSTEES** shall decide from time to time.
- 19.3 The **TRUSTEES** may, whenever they deem fit, convene a general meeting. A general meeting shall also be convened on a requisition made by not less than 25% (twenty five per centum) of **MEMBERS**, should the **TRUSTEES** fail to do so, provided that notice thereof be given in terms of clause 20.

20. **NOTICE OF MEETINGS**

- 20.1 An annual general meeting shall be called by not less than 21 (twenty one) days' notice and any other general meeting by not less than 14 (fourteen) days' notice, as provided in clause 20.3. The notice shall specify the place, the day and the hour of the meeting and, in the case of special business in addition to any other requirements contained in this **CONSTITUTION**, the general nature of that business and the reasons for it shall be given in the manner hereafter mentioned or in such other manner, if any, as may be prescribed by the **TRUSTEES** to such persons as are, under this **CONSTITUTION**, entitled to receive such notices from the **MASTER ASSOCIATION**; provided that a general meeting or an annual general meeting of the **MASTER ASSOCIATION** shall, notwithstanding that it is called by shorter notice than that specified in this **CONSTITUTION**, be deemed to have been duly called if it is agreed to by not less than 60% (sixty per centum) of **MEMBERS** having a right to attend and vote at the meeting.
- 20.2 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.
- 20.3 Notice of the annual general meeting and/or a general meeting shall be placed in 1 (one) issue of the "Cape Times" or "Die Burger" newspapers and in the event of both of those

newspapers becoming defunct, in 1 (one) issue of the highest circulation English or Afrikaans, as the case may be, language newspaper distributed in Cape Town and environs.

20.4 The non-receipt of notice of a meeting by any person entitled to receive notice shall not invalidate the proceedings of that meeting.

21. PROXIES

21.1 A **MEMBER** may be represented at an annual general meeting and/or general meeting by a proxy who must be a **MEMBER** of the **MASTER ASSOCIATION**.

21.2 The instrument appointing a proxy shall be in writing signed by the **MEMBER** concerned or his duly authorised agent in writing but need not be in any particular form provided that where a **MEMBER** is more than one person any one of those persons may sign the instrument appointing a proxy on such **MEMBER's** behalf. Where a **MEMBER** is a company, the proxy may be signed by any person authorised by resolution of the board of directors of the company or by its secretary and, where a close corporation, by any member of such close corporation and, where an association of persons, by the secretary thereof and, where a trust, by a person duly authorised by the trustees of such trust.

21.3 The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof shall be lodged with the **MASTER ASSOCIATION** at least 24 (twenty four) hours before the scheduled time for the commencement of the meeting or adjourned meeting concerned. The instrument appointing a proxy shall be valid only for the specific meeting or the adjournment thereof.

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

22. QUORUM

22.1 No business shall be transacted at any annual general meeting or general meeting unless a quorum is present when the meeting proceeds to business and when any **RESOLUTION** is to be passed. The quorum necessary for the holding of any meeting shall be 25% (twenty five per centum) of the total **MEMBERS** entitled to attend and vote thereat.

22.2 If, within 30 (thirty) minutes after the time appointed for the commencement of the meeting, a quorum is not present, the meeting, if convened on the requisition of **MEMBERS**, shall be dissolved. In all other cases, the meeting shall stand adjourned to the same day in the next week at the same place and time and, if at such adjourned meeting, a quorum is not present, the **MEMBERS** present shall constitute a quorum.

23. AGENDA AT MEETINGS

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

- 23.1 the consideration of the **CHAIRMAN's** report;
- 23.2 the election of **MEMBER TRUSTEES**;
- 23.3 the consideration of the financial statements of the **MASTER ASSOCIATION** for the last financial year of the **MASTER ASSOCIATION** preceding the date of such meeting;
- 23.4 the consideration of the budget as presented by the **TRUSTEES** and confirmation of **LEVIES** as currently levied by the **TRUSTEES**;
- 23.5 any other business pertinent to such meeting, including any **RESOLUTIONS** proposed for adoption by such meeting and the voting upon any such **RESOLUTIONS**.

24. PROCEDURE AT MEETINGS

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

25. VOTING

- 25.1 At every annual general meeting or general meeting every **MEMBER** in person or by proxy and entitled to vote shall be allocated voting rights as follows:

- 25.1.1 the **OWNER** of an **ERF** or **RESIDENTIAL SECTION** : 1 (one) vote per **ERF** or **RESIDENTIAL SECTION** registered in his name; or
- 25.1.2 if an **ERF** or **RESIDENTIAL SECTION** is registered in more than one person's name, then they shall jointly have 1 (one) vote; and
- 25.1.3 **BODIES CORPORATE** and **ASSOCIATIONS** shall have no vote.
- 25.2 At any meeting of **MEMBERS** a **RESOLUTION** put to the vote at the meeting shall be decided on a show of hands unless before or on the declaration of the result of the show of hands a poll shall be demanded by any **MEMBER**. If a poll is duly demanded it shall be taken in such manner as the **CHAIRMAN** directs and the result of the poll shall be deemed to be the **RESOLUTION** of the meeting at which the poll was demanded.
- 25.3 Save as expressly provided for in this **CONSTITUTION**, no person other than a **MEMBER** duly registered and who shall have paid every **LEVY** and other sum (if any) which shall be due and payable to the **MASTER ASSOCIATION** in respect of or arising out of his membership and who is not under suspension, shall be entitled to be present and to vote on any question either personally or by proxy.
- 25.4 At any annual general meeting or general meeting a **RESOLUTION** put to the vote at the meeting shall be decided on an ordinary majority of votes represented by **MEMBERS** entitled to attend and vote thereon present in person or by proxy in accordance with the value of votes recorded in clause 25.1.
- 25.5 Voting on any question of adjournment shall be decided on an ordinary majority of votes represented by **MEMBERS** entitled to attend and vote thereat, present in person or by proxy.
- 25.6 Every **RESOLUTION** and every amendment of a **RESOLUTION** proposed for adoption by a general meeting shall be seconded at the meeting and, if not seconded, shall be deemed not to have been proposed.
- 25.7 Unless any **MEMBER** present in person or by proxy at a meeting shall, before closure of the meeting, have objected to any declaration made by the **CHAIRMAN** of the meeting as to the result of any voting at the meeting, or to the propriety or validity of the procedure at such meeting, such declaration by the **CHAIRMAN** shall be deemed to be a true and correct statement of the voting and the meeting shall in all respects be deemed to have been properly and validly constituted and conducted and an entry in the minutes of the **MASTER ASSOCIATION** to the effect that any motion has been carried or lost with or without a record of the number of votes recorded in favour of or against such motion shall be conclusive

evidence of the **RESOLUTION** so recorded if such entry conforms with the declaration made by the **CHAIRMAN** of the meeting as to the result of any voting at the meeting.

26. MINUTES OF MEETINGS OF THE MASTER ASSOCIATION

26.1 The **TRUSTEES** shall

26.1.1 ensure that minutes are taken of every meeting of the **MASTER ASSOCIATION**, although not necessarily verbatim, which minutes shall be reduced to writing without undue delay after the meeting has closed and shall then be certified correct by the **CHAIRMAN** of the meeting;

26.1.2 cause such minutes to be kept of all such meetings of the **MASTER ASSOCIATION** in a minute book of meetings of the **MASTER ASSOCIATION** kept for the purpose.

26.2 The **TRUSTEES** shall keep all minute books of meetings of the **MASTER ASSOCIATION** in perpetuity.

26.3 On the written application of any **MEMBER** the **TRUSTEES** shall make all minutes of the proceedings and/or meetings of the **MASTER ASSOCIATION** available for inspection by such **MEMBER**.

26.4 All **RESOLUTIONS** recorded in the minutes of any meetings of the **MASTER ASSOCIATION** shall be valid and of full force and effect as therein recorded, with effect from the passing of such **RESOLUTIONS**, and until varied or rescinded, but no **RESOLUTION** or purported **RESOLUTION** of the **MASTER ASSOCIATION** shall be of any force or effect, or shall be binding upon the **MEMBERS** or any of the **TRUSTEES**, unless such **RESOLUTION** is competent within the powers of the **MASTER ASSOCIATION**.

26.5 Save as otherwise provided in this **CONSTITUTION**, the proceedings at any meeting of the **MASTER ASSOCIATION** shall be conducted in such reasonable manner and form as the **CHAIRMAN** of the meeting shall decide.

27. FINANCIAL YEAR END

The financial year end of the **MASTER ASSOCIATION** is the last day of February of each year or such other date as the **TRUSTEES** may decide.

28. ACCOUNTS

- 28.1 The **TRUSTEES** shall cause proper books of account and records to be kept so as fairly to explain the transactions and financial position of the **MASTER ASSOCIATION** including:
- 28.1.1 a record of the assets and liabilities of the **MASTER ASSOCIATION**;
 - 28.1.2 a record of all sums of money received and expended by the **MASTER ASSOCIATION** and the matters in respect of which such receipt and expenditure occur;
 - 28.1.3 a register of **MEMBERS** showing in each case their addresses;
 - 28.1.4 individual ledger accounts in respect of each **MEMBER**;
- 28.2 On the application of any **MEMBER** the **TRUSTEES** shall make all or any of the books of account and records available for inspection by such **MEMBER**.
- 28.3 The **TRUSTEES** shall cause all books of account and records to be retained for a period of 6 (six) years after completion of the transactions, acts or operations to which they relate.
- 28.4 The **MASTER ASSOCIATION** in general meeting or the **TRUSTEES** may from time to time make reasonable conditions and regulations as to the time and manner of the inspection by **MEMBERS** of the accounts and books of the **MASTER ASSOCIATION**, or any of them, and subsequent to such conditions and regulations, the accounts and books of the **MASTER ASSOCIATION** shall be open to the inspection of **MEMBERS** at all reasonable times during normal business hours.
- 28.5 At each annual general meeting the **TRUSTEES** shall lay before the **MASTER ASSOCIATION** financial statements for the immediately preceding financial year of the **MASTER ASSOCIATION** or, in the case of the first period since the date of commencement of the **MASTER ASSOCIATION**, made up for that period. Such financial statements shall be drawn up in accordance with generally accepted accounting practice and shall be accompanied by such additional reports as may be necessary at the discretion of the **TRUSTEES**.

29. DEPOSIT AND INVESTMENT OF FUNDS

- 29.1 The **TRUSTEES** shall cause all funds received by the **MASTER ASSOCIATION** to be deposited to the credit of an account or accounts with a registered commercial bank in the name of the **MASTER ASSOCIATION** and, subject to any direction given or restriction

imposed at a general meeting of the **MASTER ASSOCIATION**, such funds shall only be withdrawn for the purpose of payment of the expenses of the **MASTER ASSOCIATION** or investment.

29.2 Any funds not immediately required for disbursements may be invested in a savings or similar account with any financial institution as defined in Section 1 of the Financial Services Board Act 97/1990, as amended, approved by the **TRUSTEES** from time to time.

29.3 Interest on funds invested shall be used by the **MASTER ASSOCIATION** for any lawful purpose in the interest of the **MASTER ASSOCIATION**.

30. **AUDIT**

30.1 Once at least in every year, the accounts of the **MASTER ASSOCIATION** shall be examined and the correctness of the income and expenditure account and balance sheets ascertained by the **AUDITORS**.

30.2 The duties of the **AUDITORS** shall be regulated in accordance with general practise and applicable professional standards.

31. **INDEMNITY**

31.1 All the **TRUSTEES** are indemnified by the **MASTER ASSOCIATION** against any liabilities bona fide incurred by them in their capacities as such and in the case of the **CHAIRMAN** in his capacity as **CHAIRMAN**, as well as for all costs, losses and expenses (including travelling expenses) which they may incur or become liable for by reason of any authorised contract entered into, or any authorised act or deed done, in the discharge of any of their duties and, without detracting from the generality thereof, whether defending any proceedings, civil or criminal or otherwise in which relief is granted by a court.

31.2 A **TRUSTEE** shall not be liable for the acts, or omission of the **AUDITORS** or of any of the other **TRUSTEES** whether in their capacities as **TRUSTEES** or as **CHAIRMAN** or for any loss or expense sustained or incurred by the **MASTER ASSOCIATION** through the insufficiency or deficiency of any security in or upon which funds of the **MASTER ASSOCIATION** are invested or for loss or damage arising from the insolvency or wrongful act of any person with whom any funds, securities or effects are deposited or for any loss or damage occasioned by any error of judgement or oversight on his part or for any loss, damage or misfortune of whatsoever nature occurring in the execution of his duties or in relation thereto unless occurring as a result of mala fides, breach of duty or breach of trust.

32. **DEFAMATION PRIVILEGE**

Every **MEMBER** of the **MASTER ASSOCIATION** and every **TRUSTEE** shall be deemed by virtue of his membership or, as the case may be, his holding office as a **TRUSTEE**, to have waived as against every other **MEMBER**, the **CHAIRMAN**, every other **TRUSTEE**, and everybody else engaged to perform the function or duty on behalf of or for the benefit of the **MASTER ASSOCIATION**, or the **TRUSTEES**, or any sub-committee, all claims and rights of action which such **MEMBER** or **TRUSTEE** might otherwise have had in law arising as a result of any statement, report, complaint or notice of or concerning such **MEMBER** or **TRUSTEE**, or any reference to such **MEMBER** or **TRUSTEE**, made at any meeting of **TRUSTEES**, or otherwise in the performance or exercise of any right, function, duty, power or trust, within the ambit of this **CONSTITUTION**, being a statement, report, complaint, notice or reference defamatory to such **MEMBER** or **TRUSTEE**, or otherwise injurious to the dignity, reputation, business or financial interest of such **MEMBER** or **TRUSTEE**, whether such statement be true or false.

33. **OWN RISK**

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

34. **TRANSFER OF LAND**

The **DEVELOPER** shall, free of consideration, transfer to the **MASTER ASSOCIATION** all private roads and private open spaces within the **DEVELOPMENT**, the risk wherein passes to the **MASTER ASSOCIATION** upon formation of the **MASTER ASSOCIATION** and in respect whereof the maintenance and upkeep is the responsibility of the **MASTER ASSOCIATION** as well as liability for rates and taxes and all charges attaching thereto.

35. **ARBITRATION**

35.1 Should any dispute, question or difference arise between **MEMBERS** or between a **MEMBER** and **TRUSTEES** of or in regard to:

35.1.1 the interpretation of;

35.1.2 the effect of;

35.1.3 their respective rights or obligations under;

35.1.4 a breach of (save for non-payment of **LEVIES** or any other amount due by a **MEMBER** in terms of this **CONSTITUTION**)

this **CONSTITUTION**, such dispute shall be decided by arbitration in the manner set out in this clause 35.

- 35.2 In respect of any claim arising from non-payment of **LEVIES** or any other amount due by a **MEMBER** to the **MASTER ASSOCIATION** in terms of this **CONSTITUTION**, the **MASTER 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 proceedings in any court of competent jurisdiction.
- 35.3 The arbitration referred to in clause 35.1 shall:
- 35.3.1 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
 - 35.3.2 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
 - 35.3.3 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.
- 35.4 The arbitrator shall be a practising senior counsel of not less than 5 (five) 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 agreement on such appointment within the 7 (seven) day period, appointed by the President of the Cape Town Attorneys Association or the successor to that Association.
- 35.5 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) days 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 **MASTER ASSOCIATION** as he in his sole discretion may deem fit.
- 35.6 Each of the parties to the arbitration irrevocably agree that the decision of the arbitrator made at such arbitration proceedings:
- 35.6.1 shall be final and binding on each of them; and

35.6.2 shall be carried into effect immediately; and

35.6.3 may be made an order of any Court to whose jurisdiction the parties are subject.

35.7 Notwithstanding anything to the contrary contained in this clause 35, the **TRUSTEES** shall be entitled to institute legal proceedings on behalf of the **MASTER 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 **GUIDE**.

36. **DOMICILIUM**

36.1 The **TRUSTEES** shall from time to time determine the address constituting the domicilium citandi et executandi of the **MASTER ASSOCIATION**, subject to the following:

36.1.1 such address shall be the address of the **CHAIRMAN** or of a resident **TRUSTEE** nominated by the **TRUSTEES** or the address of any duly appointed **MANAGING AGENT**;

36.1.2 the **TRUSTEES** shall give notice to all **MEMBERS** of any change of such address.

36.2 The domicilium citandi et executandi of each **MEMBER** shall be the street address of the **MEMBER's ERF** or the **RESIDENTIAL SECTION**, as the case may be, and in the case of a **BODY CORPORATE**, the office of the **MASTER ASSOCIATION**, and which domicilium shall not be capable of being changed whilst the **MEMBER** so remains a **MEMBER** of the **MASTER ASSOCIATION**.

36.3 It shall be competent to give notice by telefax or email where the **MEMBER's** telefax number or email address is recorded with the **TRUSTEES**.

36.4 Notwithstanding anything to the contrary herein contained, a written notice or communication actually received by a **MEMBER** shall be adequate written notice or communication to such **MEMBER** notwithstanding that it was not sent to or delivered at his domicilium citandi et executandi.

36.5 Any notice to a **MEMBER**

36.5.1 sent to him by prepaid registered post in a correctly addressed envelope at his domicilium citandi et executandi shall be deemed to have been received on the 7th (seventh) day after posting (unless the contrary is proved); or

- 36.5.2 delivered by hand to a responsible person at his domicilium citandi et executandi shall be deemed to have been received on the day of delivery; or
- 36.5.3 successfully transmitted by telefax to his chosen telefax number shall be deemed to have been received on the 1st (first) day after the date of transmission, unless the contrary is proved.
- 36.5.4 successfully transmitted by email to his chosen email address shall be deemed to have been received on the 1st (first) day after the date of transmission, unless the contrary is proved

37. **AMENDMENT**

- 37.1 No provision of this **CONSTITUTION** or the **GUIDE** shall be added to, amended, substituted or repealed without the consent in writing of:
 - 37.1.1 the **LOCAL AUTHORITY**, and
 - 37.1.2 the **DEVELOPER** for as long as the **DEVELOPER** is a **MEMBER**.
- 37.2 Subject to the provisions of clause 37.1, such addition amendment, substitution, or repeal shall require the approval of at least 51% (fifty one per centum) of the total number of votes of **MEMBERS** of the **MASTER ASSOCIATION** given at a general meeting called specifically for such purpose and the notice of such meeting shall, in addition to complying with the requirement for the convening of a meeting, set out in specific terms the proposed addition, amendment, substitution or matter to be repealed.

38. **DISTRIBUTION OF FUNDS**

- 38.1 The **MASTER ASSOCIATION** is not permitted to distribute its funds to any person other than to a similar association of persons.
- 38.2 Should the **MASTER ASSOCIATION** be dissolved or wound up for any reason whatsoever, the remaining assets must be distributed to a similar association of persons with objects similar to the objects of this **MASTER ASSOCIATION** and which is also exempt from income tax in terms of Section 10(1)(e)(iii) of the Income Tax Act 58, 1962, as amended, from time to time.

39 CONFLICT

In the event that there should be a conflict and/or difference between the terms and provisions of this **MASTER ASSOCIATION CONSTITUTION** and/or any Rules made in terms of this **CONSTITUTION**, to that as contained in any of the Constitutions of the **ASSOCIATIONS** and/or the Management or Conduct Rules of the **BODIES CORPORATE**, then and in such event the provisions of the **MASTER ASSOCIATION CONSTITUTION** and its Rules shall apply.

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