



**MEMORANDUM OF INCORPORATION
OF
MOUNT HOREB OWNERS ASSOCIATION NPC
Registration Number 2006/031391/08
(as amended by resolution dated 22 October 2014)**

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Schedule A

MANAGEMENT RULES

1 Definitions

Words and expressions defined in the Memorandum of Incorporation of the Company shall bear the same meaning wherever they appear in these Management Rules.

2 Object of the Management Rules

The object of these Management Rules is to enable all the Members, their families, guests and invitees to live in and enjoy a high quality lifestyle in a clean and desirable environment on the Erf and within the Development.

3 Background

3.1 The Company was formed for the purpose of managing, administering and controlling the Development for the benefit of the Members.

3.2 In terms of the Memorandum of Incorporation of the Company, it has the power to make these Management Rules. These include house Management Rules.

3.3 The Management Rules consist of 3 (three) categories namely, Category 1, Category 2 and Category 3.

3.4 The Developer shall during the Development Period appoint a Managing Agent to assist the Directors to fulfil their functions and perform their obligations as Directors of the Company.

4 Management Rules

4.1 Category 1 Management Rules

(1) The Category 1 Management Rules, are as follows:

- (a) an owner of a Erf may not Alienate or transfer the Erf or any undivided share therein without the prior written consent of the Company and in compliance with the provisions of clause 2.9 of the Memorandum of Incorporation of the Company;
- (b) an owner of a Erf will not vote for or propose any motion or resolution in terms of which the Company is wound up or dissolved;
- (c) notwithstanding the provisions of any law, no further subdivision in respect of any of the Erven shall be allowed;
- (d) owners of Erven will at all times be permitted access along the main roads within the Development to access the use of the facilities that are open to Members as a whole, subject to any Management Rules that may be made by the Directors from time to time;
- (e) the owners will at all times abide by and be subject to the Management Rules of the Development;
- (f) no fences other than trip fences around the building footprint approved by the Developer and the Association from time to time, may be erected on or around any Erf;
- (g) all sales of Erven shall only be through an agent appointed by the Developer;
- (h) during the Development Period, only signage erected by the Developer may be erected on the Development, and thereafter, only such signage may be erected as approved by the Board of the Company;
- (i) unless otherwise denoted on the General Plan, the Company will be regarded as, and act as owner of the Common Property;
- (j) only builders properly accredited by the Developer may build on the Erven so as to ensure that the Rules are complied with from an aesthetical and security point of view. The Developer may not refuse a builder's appointment by a Member but may require the

Member to comply with the Rules in relation to building plan approval and the builder to comply with the Rules;

- (2) These Management Rules will not be amended, added to, substituted or repealed save and unless such amendments have been approved by a unanimous resolution of the Members.

4.2 Category 2 Management Rules

The Category 2 Management Rules are the Architectural Guidelines and Building Specifications which are set out in Schedule B to the Memorandum of Incorporation.

4.3 Category 3 Management Rules

- (1) The Category 3 Management Rules are as follows:
 - (a) The Member is the registered owner of a Erf and in addition to having the use of said Erf and the Common Property and common facilities, he or she will have traversing rights over the Common Property under the following terms and conditions:
 - (i) ***Private vehicles may only drive on the main vehicular roads including access roads and link roads to and from Members' residences;***
 - (ii) ***Walking or hiking anywhere on the Development must be exercised with caution, and at the members sole risk. The Company assumes no responsibility in this regard; and***
 - (iii) ***No motorcycles or quad bikes are permitted on the Development, other than for use by management as the Directors may permit from time to time for management purposes, or for Members to access their Erven.***
 - (b) A Member shall not:
 - (i) ***hunt, cull, capture or shoot any game or birds on the Development or permit the same to be done, provided***

that this shall not be construed as affecting any person's right to take reasonable steps to prevent injury or death to himself or any other person, or the right of the Developer or the Managing Agent to do so in times of necessity;

- (ii) make any excavation on or remove any soil from the Common Property, unless the prior written consent of the Developer and/or the Managing Agent is obtained;***
- (iii) cause any refuse or the accumulation thereof on the Erf and no rubble, waste or refuse of any kind shall be discarded or dumped in any undeveloped area, or Erven, public areas, Common Property, open spaces, roads, dams, waterholes, ponds or rivers;***
- (iv) damage, remove, or plant any flora (other than those plants or trees already approved of in terms of the list issued by the Developer, or Company after the Development Period, from time to time) on the Erf or the Common Property or introduce or cultivate any flora on the Common Property without the prior written consent of the Developer and/or the Managing Agent;***
- (v) keep any animals of any sort in captivity on the Erf or on the Common Property;***
- (vi) make any roads on the Development;***
- (vii) provide housing for any servants;***
- (viii) make fires anywhere on the Development other than in properly built boma's and braai units or collect any wood from anywhere on the Development, and a Member shall take all reasonable steps to ensure that all fires are properly extinguished after use;***
- (ix) drive in or traverse river beds, unless specifically designated as a thoroughfare road;***

- (x) ***park caravans (it being recorded that any caravan must be housed in a garage) or any temporary accommodation on the Erf or on the Common Property;***
- (xi) ***set up camp on a temporary or permanent basis on the Erf or Common Property;***
- (xii) ***collect, damage, disturb or take anything from the Erf or the Common Property or anywhere on the Development, including without affecting the generality of the afore going, wood, stones, wildlife, birdlife, or flora;***
- (xiii) ***drill any holes, including bore holes on the Erf or the Common Property without the prior written consent of the Developer and/or the Managing Agent;***
- (xiv) ***use any Common Property or part of the Development in a manner or through conduct, which may unreasonably interfere with the use and enjoyment thereof by other Members or persons, or in such a way as to cause a nuisance which may detrimentally affect the amenity of such Common Property or the Development;***
- (xv) ***pollute any dam, waterhole, pond, stream or river on the Development;***
- (xvi) ***fish in any dam, waterhole, pond, stream or river on the Development other than those designated for this purpose from time to time;***
- (xvii) ***picnic or braai anywhere on the Development other than areas specifically designated for such use.***
- (xviii) ***swim in a river, waterhole, stream, pond or dam situated within the Development and no boats of any description will be permitted on any of the aforementioned, other than as designated for such purpose.***

The aforesaid restrictions shall not to the extent necessarily apply to the Developer or the Managing Agent in conducting and management of the Development.

(2) Roads

- (a) The speed limit on the Development is 30km/h;
- (b) Other than in the case of the Developer or the Managing Agent in conducting development or management of the Development, no vehicle is allowed off the roads on the Development or to traverse any river beds, and Members shall obey all signage and traffic signals on the roads;
- (c) Due care is to be exercised when driving within the Development and pedestrians shall at all times have the right of way;
- (d) No person shall operate a vehicle upon any place within the Development unless he or she is the holder of a valid driving license;
- (e) Operating any vehicle on the Development while under the influence of alcohol or drugs which may impede the driver's ability to control the vehicle, is prohibited;
- (f) Operating any vehicle in such a manner as to constitute a danger or nuisance to any other person, animal or Development within the Development is prohibited;
- (g) The use of car hooters within the Development to beckon or attract residents or staff is prohibited.

(3) Buildings and Erven

- (a) A Member is obliged to maintain both the interior and the exterior of his or her improvements in a good and sound condition to the reasonable satisfaction of the Directors. In the event of the Directors / Managing Agent finding that the Erf and/or improvements thereon are not kept to the standards as laid down by the Company, they may call upon such Member to rectify the situation within 14 days,

failing which the Directors / Managing Agent shall cause the situation to be remedied at the Member's expense, such costs to be a debt to become immediately due and payable by the Member to the Company;

- (b) A Member shall not construct or erect after completion of approved improvements, any further improvements to the Erf or make any material external alterations to the improvements on the Erf without the prior written approval of the Company having been first obtained, which consent shall not unreasonably be withheld;
- (c) A Member is only allowed to make improvements in terms of the Memorandum of Incorporation, the Architectural Guidelines and Building Management Rules, and in particular the maximum number of beds allowed in any improvements as set out in the Architectural Guidelines and Building Management Rules must be adhered to;
- (d) No garments, household linen or general washing of any nature may be hung out or placed anywhere to dry except in a screened drying yard or other designated screened area. No laundry, washing lines, rotary dryers or similar devices may be visible from the roads or any Common Property, and must be reasonably screened from the direct view of neighbours;
- (e) A Member may plant flora indigenous to the relevant ecological zone including plants and trees on his or her Erf and make a garden on his or her Erf in accordance with a landscape plan referred to in the Building Management Rules. No non-indigenous flora may be planted as contemplated in clause 4.3(1)(b)(iv) above;
- (f) A Member may only erect signage indicating his improvements or access to his or her improvements which are approved by the Directors from time to time. No signage advertising contractors, estate agents and such like are permitted. No flagpoles, flags, radio aerials or poles may be erected on any private dwelling or Erf within the Development.

- (4) Use and Occupation of the Improvements
- (a) Unless consented to by the Developer in writing the use and occupation of a dwelling and other improvements on a Erf may only be used for residential purposes and may be rented out on an ad hoc basis but not operated as a 'commercial' lodge, bed and breakfast or other such establishment. No trading or commercial enterprise of whatever nature may be conducted from a Erf without the written consent of the Developer;
 - (b) The maximum number of persons allowed to occupy one dwelling at any one time shall not exceed the number of legitimate approved bedrooms in the dwelling multiplied by two adult persons (for example, a four bedroom house may only have a maximum of 8 adults). For purposes of this clause, an "adult" shall mean persons older than 14 years of age;
 - (c) A Member shall obey all instructions, the Management Rules and regulations imposed by the Company, from time to time, in respect of the Erf, and the Common Property, and procure that his or her guests, invitees and lessees also obey all such instructions, Management Rules and regulations. The Member hereby acknowledges and agrees that he or she shall be liable for and responsible for paying or enforcing, as the case may be, any fines or other sanctions which the Company may impose from time to time on the Members and invitees, as part of the administration and management of the Development;
 - (d) A Member shall not bring or allow to be brought onto the Development or Erf any pets or other domesticated animals without the written approval of the Company;
 - (e) A Member shall use and enjoy his dwelling and Erf in a manner and only for purposes which do not cause a nuisance to any other occupier on a dwelling or Erf, and ensure that others use and enjoy such areas in the same manner.

(5) Animals, Reptiles and Birds

- (a) Pets will be permitted subject to the discretion of the Board, whose decision will be final. Owners shall not permit their pets to roam on the common property. They shall be properly controlled and have a tag with the house number and name of the owner. Owners shall ensure that their pets do not foul the common property. Should a pet foul the common property the occupant of the unit to which the pet belongs shall remove the excrement or mess left by such pet forthwith.
- (b) No Member shall keep any animals of any sort in captivity on the Erf, or on the Common Property.

(6) Domestic and Garden Refuse

- (a) All domestic refuse shall be put into plastic bags and kept in an animal proof bin in a suitable place within the Member's Erf and screened from public or neighbours view. Until such time as the Company has set up the relevant infrastructures and Management Rules to carry out household refuse removal, the Member shall be obliged to take all household refuse to the specified dump site which may not be on the Development;
- (b) No burying or burning of domestic or garden refuse is permitted on the Erf or on the Common Property.

(7) Building

The Architectural Guidelines and Building Management Rules are set out in Schedule B to the Memorandum of Incorporation and form part of the Management Rules.

(8) Storage of Inflammable and other Dangerous Material

No harmful or inflammable substances may be kept on the Erf or the Development. This shall not apply to the keeping of such substances and in such quantities as may be reasonably required for domestic

purposes. No poisonous chemicals may be discharged anywhere on the Development or the Erf.

(9) Noise

- (a) No Member shall direct or introduce any motorised generators or power plants or any noise making objects or apparatus on the Erf or the Development without the prior written consent of the Developer and/or the Managing Agent acting on behalf of the Company;
- (b) The lighting or letting off of fireworks within the Development is strictly prohibited;
- (c) No Member may cause or allow his family, guests or invitees to cause a disturbance to other residents or the wildlife on the Development or the Erf by the playing of loud music, hooting, shouting or the creation of any other disturbing noise howsoever.
- (d) House Alarms: All alarms that are fitted into homes may not have sirens installed in the home, but the Member must rather have the alarm ring in the guard room in order for the security to respond, and where necessary the ability to reset the alarm from the guard room. This measure is essential to prevent the noise created by the sirens (when activated) from being a nuisance to neighbours.

(10) Damage, Alterations or Additions to the Common Property or Common Facilities

No Member or occupant of a Erf may damage or alter any part of the Common Property or common facilities without first obtaining the written consent of the Directors.

(11) Renting of Dwellings

- (a) No leases may be entered into by a member without the written consent of the Company;
- (b) If a Member employs a rental company to let its unit, and provided clause 4.3(11)(a) has been complied with, all such rentals must be through a rental company approved by the Company.

- (c) All tenants and other persons who are granted rights of occupation of a dwelling by a Member are obliged to comply with the Management Rules. These Management Rules override any rights of conflicting provision in any lease or rental agreement or other rights of occupancy;
- (d) Any contravention of the Management Rules by a lessee shall be deemed to be a contravention by the Member;
- (e) Should an owner rent his or her dwelling, he or she shall inform the Managing Agent / Estate Manager in writing in advance of the lessee taking occupancy.

(12) Access and Security

- (a) Security protocol at the gate shall be adhered to at all times;
- (b) No person may access the Development without in each case completing such indemnity forms and giving such other acknowledgements as the Directors may from time to time require.
- (c) Any ID card system for permanent workers, temporary workers, estate staff and contractor representatives and their employees must be conscientiously enforced by every Member and every person in his or her employ;
- (d) Every Member must ensure that his or her visitors, contractors and staff adhere to security protocol. Formalities and Management Rules relating to access by visitors shall be determined by the Company from time to time.
- (e) Should a Member require security in their dwelling they shall install their own silent security system of the type recommended by the Company;
- (f) The Security Gate to the Development will be manned 24 hours a day, or on a basis to be determined from time to time by the Company;

- (g) Vehicle security permits must be affixed to vehicle windscreens to assist guards in the performance of their duties;
- (h) All Members and approved lessees shall be provided with security access cards of a type to be determined and consistent with the central security system selected by the Company;
- (i) Development security will also be responsible for the enforcement of certain Management Rules of the Company. They carry the authority to issue the prescribed fines and should the same Member, his visitors, employees, contractors or tenants accumulate three fines, such matter will be referred to the Directors for the necessary action;
- (j) Members and other residents shall not give instructions to any security personnel. All requests and complaints are to be lodged with the Manager;
- (k) All vehicles and / or persons entering and leaving the Development may be subjected to a search;
- (l) No firearms are permitted onto the Development without first being declared to the Manager, and then on such terms he may reasonably permit. In the event that firearms or any weapons are not so declared, these will be confiscated and handed over to the police for collection by the owner.

5 Levies

Levies are made up of 3 different types of charges, namely:

- Common Levies
- Optional Levies
- Penalty Levies

5.1 Common Levies

“**Common Levies**”, being the monthly levy raised to meet all the expenses which the Company has incurred, or which the Directors reasonably anticipate the

Company will be put in the attainment of Objects or the pursuit of its business, and without in any way derogating from the generality of the afore going shall include-

- (1) levies imposed by the Company to further the Objects of the Company for the benefit of its Members;
- (2) rates, taxes and any local authority charges;
- (3) the supply of electricity, water or any other services to be utilised by the Company (not charges for specific usage by individual Members);
- (4) the costs of and for the staff required for the repair, upkeep, control, management and administration of the Common Property;
- (5) a reasonable provision to be held in reserve to meet the anticipated expenditure not of an annual nature;
- (6) a reasonable provision for contingencies not included in the estimate of expenditure required to be made by the Directors and / or Managing Agent;
- (7) the "essential services" which shall include:
 - (a) once installed by the Developer, maintenance of boreholes and a supply of potable water to the boundary of the Erf and the maintenance of the infrastructure relating thereto;
 - (b) once provided by the Developer, the maintenance of all roads and fences, including the access road from the boundary of the Members Erf;
 - (c) fire-fighting services;
 - (d) soil erosion prevention;
 - (e) security services;
 - (f) provision and maintenance of necessary equipment and implements, including vehicles; and
 - (g) maintenance of the Common Property.

5.2 **Optional Levies**

“Optional Levies” being the monthly levy raised by the Company on individual Members for each Member’s specific use of any of the services provided by the Company to the Member, and charged at market related rates. The optional services may include the following:

- (1) maintenance of the improvements both inside and outside;
- (2) the provision and transport of servants;
- (3) the provision of firewood and charcoal;
- (4) the management of a laundry and the rendering of a laundry service;
- (5) the gardening and cleaning of building areas on the Erf;
- (6) the cleaning of windows of the improvements;
- (7) refuse removal;
- (8) maintenance of water installations, electrical installations and any other installation to the improvements on the Erf;
- (9) provision of a cleaning service before, during and after visits to the improvements;
- (10) the regular airing of improvements and pest control;
- (11) provisioning service; and
- (12) catering services.

5.3 **Penalty Levies**

- **“Penalty Levies”** being the monthly levy raised by the Company on individual members for such members who are non-compliant with the provisions of this Memorandum of Incorporation and specifically the Building Guidelines in relation to timelines associated with construction of a dwelling on the specific Members’ Erven. These Penalty Levies will take cognisance of Members who are already owners as at 7 December 2013,

and those Members who become owners after such date, provided all parties recognise that successors-in-title are bound by the provisions of this clause and the time lines set out herein.

- The maximum penalty levy will be as follows:
 - Current Stand Owners as per the original sale agreement with no annual increase. Where the sale agreement has no penalty levy a minimum of R600.00 per month will be raised as the penalty levy.
 - New Owners will have 60 months to complete their building following the date of signature of the Developer's instalment sales agreement, or the transfer date, whichever is earlier. The building process must not take longer than a year. The penalty levy will be one times the current Common Levy which will increase annually in line with the levies increase.
- The Developer has agreed to cede the penalty levies to the HOA.

In this regard, the following specific provisions shall apply:

- (1) All Members, excluding the Developer, who have commenced construction of their residential dwellings as at 7 December 2013 shall ensure that such building operations are completed by no later than 8 December 2014. Thus, this category of Member will only be liable for Penalty Levies from 9 December 2014 onwards;
- (2) Reference to "**completion of building operations**" in the aforesaid sections shall be interpreted to mean, the date upon which a valid Occupation Certificate is issued in respect of the Erf by the relevant local authority.

General Provisions applicable to all classes of Levies:

- 5.4 The Directors shall establish a charge list in respect of the optional services that are offered. The charges for optional services shall be market related. The Directors shall be entitled to amend, add or repeal such charge list or the optional services from time to time.

- 5.5 The charges made to Members for optional services they choose to use shall be charged to Members accounts monthly in arrears, based on their specific utilisation of said services, and payment shall be collected at the time and in the manner payments are made for "Common Levies"
- 5.6 Each year the Directors and/ or the Managing Agent, shall prepare a budget in reasonable detail of the amount that shall be required by the Company to meet the common expenses which the Directors and/or Managing Agent reasonably anticipates the Company will be put to in the following financial year for the attainment of its objects or the pursuit of its business, and shall specify separately such estimated deficiency, if any, as shall result from the preceding year.
- 5.7 The Directors and/or Managing Agent shall then calculate the common levy to be raised against each Member in terms of clause 5.1 hereof, and in doing so shall be entitled to round off the levy as they see fit to ease the calculation and administration thereof.
- 5.8 The budget so prepared and the levy so calculated shall then be placed before the board of Directors for their approval of the budget and Levies for the following financial year by their passing a resolution to such effect.
- 5.9 Levies shall be paid by means of an irrevocable debit order, with common levies being paid monthly in advance and optional and special levies, if any, payable monthly in arrears.
- 5.10 The levy may be recovered by the Company by action in any court of competent jurisdiction from the person who is a Member at the time when such levy became due and payable. A Member consents to the jurisdiction of the Magistrates Court in regard to the institution of any action by the Company to recover the levy. The Company shall be entitled in its sole discretion to refuse access to a Member in the event of the Member not having paid the levy.
- 5.11 The Company shall on the application of any Member or any person authorised in writing by such Member be obliged to certify in writing the levy determined as a contribution of that Member, the manner in which such levies are payable and the extent to which such levy has been paid by the Member.
- 5.12 The Directors shall be empowered, in addition to such other rights as the Company may have in law against its Members, to determine the rate of interest from time to

time chargeable upon arrear levies. Such rate of interest shall not exceed the rate laid down by relevant legislation, or any re-enactment thereof as if the amount was due in terms of the money lending transaction in the requisite category as defined in the said act.

- 5.13 Should any Member's levy be in arrear at the seventh day of the month, he or she shall pay interest as determined by the Directors, and such interest shall be applied to the full amount overdue inclusive of 'optional service charges', from the first day of the month up until the date of payment.
- 5.14 Members still in arrears after thirty days shall have the services to their Erf terminated and pay immediately on being billed the full amount due, plus the next levy due, plus interest on the full overdue amount up until the date of payment. In addition, the Member may be obliged to pay a reconnection fee, the amount of which shall be determined by the Directors.
- 5.15 After sixty days, Members shall have their overdue account and the full interest thereon handed over for collection and possible legal action. Any costs incurred by these proceedings and all additional interest up to the date of final settlement shall be for the Member's account. Any interest on, or collection fees for overdue levies including the re-connection fee for services which have been terminated may be considered to be part of the levy and treated as such.
- 5.16 Levy amounts may not be reduced to offset against real, perceived, partial or non-provision of services or for any other reason unless previously discussed with and sanctioned by the Directors.
- 5.17 In calculating the contribution required to be made to the fund, the Directors shall as far as is practically possible –
- (1) differentiate between expenditure of a capital nature and of a current nature; and
 - (2) indicate clearly on the estimate what is capital expenditure and what is current expenditure, provided that in arriving at such decision the Directors shall act as experts and not arbitrators.
 - (3) The Directors have the right and power to subcontract the provision of optional and essential services.

5.18 The budget so approved by the Directors shall be sent to each Member together with the notice convening the annual general meeting of the Company.

5.19 **Authority to Impose Fines in case of non-compliance**

The Board is hereby empowered and authorised to impose fines on Members who are non-compliant with the provisions of this Memorandum of Incorporation and will annually provide a fines list to all Members of the nature and value of the fines. Any fine imposed on a Member will be included in the monthly levy statement issued by the Company's Managing Agent.