

REPUBLIC OF SOUTH AFRICA COMPANIES ACT, 1973

(As amended)

ARTICLES OF ASSOCIATION OF AN ASSOCIATION NOT HAVING A SHARE CAPITAL

(Section (60) (1) and Regulation 18)

(Association incorporated under Section 21)

Registration No. of Association

Name of Association:

ALMOND BANK HOMEOWNERS ASSOCIATION t/a INTABA RIDGE HOMEWONERS ASSOCIATION

(Association incorporated under Section 21)

A.

The Articles of Table A or Table B in Schedule 1 to the Companies Act, 1973 shall not apply to the Association.

B.

The Articles of the Association are as follows:

1. <u>INTERPRETATION</u>

- 1.1 In these Articles, unless the context otherwise requires.
 - 1.1.1 'Act' means the Companies Act No. 61 of 1973 (as amended);
 - 1.1.2 'Articles' means these Articles of Association and any amendment thereto by the HOA;
 - 1.1.3 'Body Corporate' means the Body Corporate established in terms of Law in respect of the Stables in the Development, which Body Corporate shall cede and assign its powers to the HOA;
 - 1.1.4 'Contract' means the Memorandum of Agreement of Purchase and Sale entered into between the Developer and any person who is or is about to become an Member in the Development,
 - 1.1.5 'Design Review Committee' shall mean a committee established by the HOA to review and approve all Building Plans and Landscaping Plans in accordance with the Development Manual;



- 1.1.6 'Development Manual' means the manual, which is binding on the Members, incorporating the; Building Design Code, Landscaping Design Code and other relevant information, and which has been signed by the Purchaser for identification purposes;
- 1.1.7 'Developer' means Sign Power Investments 8 (Proprietary) Limited (Registration No 2005/037537/07), including its successors in title or assigns;
- 1.1.8 Development Period' means the period from Proclamation of the Development as a Township, up until any time, at the Developer's discretion, provided that a minimum of 65% of the Erven in the Development have been sold or alternatively until such time as the final Occupation certificates have been issued by the relevant Local Authority, for the Improvements in the Development:
- 1.1.9 'Development' means the secure Township known as Almond Bank;
- 1.1.10 'Domestic Servant' means any person employed and registered with the HOA, by a Member to work on such Member's Property;
- 1.1.11 'Directors' means the Directors of the HOA;
- 1.1.12 'Environmental Management Plan / EMP' means the plan setting out the terms and conditions relating to the planting and management of the gardens on the Property and HOA Property, which is binding on the Members;
- 1.1.13 'Erf / Erven' means any freehold Erf / Erven in the Township;
- 1.1.14 'Equestrian Association' means the representatives of the Almond Bank Equestrian Association:
- 1.1.15 'Estate Agent' means the Estate Agent's appointed by the Developer or the HOA from time to time, provided that Golden Tattoo Trading 11 (Pty) Ltd t/a Venture Partners are permitted at all times to enter into sale agreements with prospective Purchasers in the Development and shall remain as the appointed Estate Agents:
- 1.1.16 'HOA' means the Almond Bank Home Owners Association (Association incorporated under Section 21 of the Companies Act of 1973) or any other name assigned to the HOA, appointed to manage generally the affairs of the Development;
- 1.1.17 'HOA Property' means that portion of the Development depicted as Common areas on the registered General Plan or Sectional Plan of which the HOA or Body Corporate is the registered owner, or such other property which the right to control has been conferred upon it, or such movable property of which the HOA or Body Corporate is the registered Member or possessor;
- 1.1.18 'Improvement / Improvements to the Property' means the building of the Residential dwelling or alterations to Improvements by the Members;
- 1.1.19 'Managing Agent' means the organization appointed by the Developer or Directors as the case may be, to manage, control and administer the daily running of the HOA and the Development;
- 1.1.20 'Member/s' means any natural or legal person who is registered in the Deeds Registry at Pietermaritzburg, as the owner of any Property within the Development provided that in the case of joint owners or legal persona, the nominated owner as provided in these Articles shall be deemed to be the Member:
- 1.1.21 'Offices' means the registered offices of the HOA;
- 1.1.22 'Property' means in relation to the Development, any Erf / Erven or Sectional Title Unit, including, where applicable, any Improvements thereto;
- 1.1.23 'Rules' means the Rules (Management and /or Conduct Rules) of the HOA, referred to in these Articles, and which are deemed to be binding on all



Members:

- 1.1.24 'Services' means water, sewerage, refuse removal, provision of security and such other utilities or services as are provided by the HOA within the Development or which may be required;
- 1.1.25 'Tenant' means any person entitled to occupy a Property in terms of a Lease Agreement approved by the HOA;
- 1.1.26 'Township' means the declaration as a Township of the properties described as: 1.1.26.1Remainder of Portion 1 of the Farm

Leliefontein No 1175, Registration Division FT, Province of Kwazulu-Natal, in extent 92,5804 Hectares, and

1.1.26.2 Portion 5 of the Farm Leliefontein No 1175,

Registration Division FT, Province of Kwazulu-Natal, in extent 61.1430. Hectares and

1.1.26.3Remainder of Portion 2 of the Farm Lamonts Vale
No 1210, Registration Division FT, Province of
Kwazulu-Natal, in extent 131.6772 Hectares

(or any other property description which the Surveyor or Surveyor-General shall deem fit.)

- 1.1.27 "Lifestyle Centre" means the swimming pool, tennis court sporting and recreational facilities for the use of the Members in the Development;
- 1.2 Words and expressions used and not otherwise defined in these Articles shall have the meaning assigned to them by the Act.
- 1.3 Words importing the singular shall include the plural; words importing the masculine, feminine and neuter shall include the others of such genders; and words importing persons shall include Bodies Corporate, and vice versa in each instance.
- 1.4 The heading above any of the Articles is intended for reference purposes only and shall not influence the interpretation of the Articles.

2. <u>MEMBERSHIP</u>

2.1 <u>Membership of the HOA</u>

- 2.1.1 Membership of the HOA shall be obligatory for every Member and the Developer, provided on termination of the Development Period, the Developer shall no longer be obliged to be a member of the HOA.
- 2.1.2 No Member shall transfer his Property unless it is a condition of such transfer that the transferee, in a manner determined by the HOA makes application to become a Member and is admitted as such in terms of Article 2.2.
- 2.1.3 The Developer shall grant in favour of the HOA, a Notarial deed to be registered as a condition, against the title deed of each Property, imposing a restrictive condition of Membership that such Property may not be transferred without the prior written consent of the HOA first being had and obtained.
- 2.1.4 In the event of any Property being owned in undivided shares by more than one owner, such co-owners shall nominate one amongst them to be the Member for



the purposes of these Articles.

- 2.1.5 Where the Member is a legal persona, being either a Trust, Close Corporation or Company, the Trustees, Members or Directors as the case may be, shall appoint one amongst them to be the Member for the purposes of these Articles.
- 2.1.6 Where the Members are married in community of property the Members shall appoint one of them to be the Member of the HOA. Alternatively an Member may appoint his/ her Spouse or partner if legally cohabiting.

2.2 Admission of Members

- 2.2.1 The initial Members shall be the persons subscribing to the Articles; provided once there are sufficient Members resulting from their ownership of Property, the initial Members shall forthwith resign and the Members shall be the Developer and those Members who have been admitted in accordance with these Articles.
- 2.2.2 A purchaser of Property shall be obliged to complete the HOA's Standard Application for Membership form without alteration or amendment thereto, and to submit the same to the HOA for consideration.
- 2.2.3 The criteria for admission as a Member by a purchaser of a Property, is conferred upon the HOA, who shall be solely responsible for declining or admitting as a Member each particular applicant, provided the HOA shall be under no obligation whatsoever to divulge or justify its reasons for reaching such decision but provided further that the consent to admission shall not be unreasonably withheld.

2.3 Rights and duties of Members

- 2.3.1 Subject to the rights of Membership as prescribed by statute, Membership of the HOA shall confer upon each Member, unless otherwise stipulated, the following rights:
 - 2.3.1.1 the right to inspect and / or receive copies of the annual financial statements of the HOA;
 - 2.3.1.2 the right to receive notices of, to attend, speak and vote at all General meetings of the HOA, whether ordinary or extraordinary, in accordance with the provisions of these Articles.
- 2.3.2 No Member shall by reason of Membership of the HOA, be entitled to share in or receive any profit of the HOA.
- 2.3.3 No Member shall be entitled to exercise the rights ensuing from his Membership of the HOA, which have been conferred upon the Developer in terms of the Contract, until termination of the Development Period.

2.4 <u>Cessation of Membership</u>

| 2.4.1 | Membership of tr | ne HUA snall cease:- |
|-------|------------------|----------------------|
|-------|------------------|----------------------|

| 2.4.1.1 | a Member ceasing to be an owner of Property within the |
|---------|--|
| | Development; |
| 2.4.1.2 | upon the issue of a final order of sequestration of liquidation of a |
| | Member, |
| 2.4.1.3 | upon the voluntary winding-up or termination of a Member. |
| 2.4.1.4 | upon the death of a Member, or upon the Member being declared |
| | insane or incapable of managing his affairs; |
| 2.4.1.5 | in the case of the Developer, upon termination of the |

Development Period.



2.4.1.6

In the event of a Member ceasing to be a Member in-terms of the above provisions, the legal representative of such Member shall, for all purposes be recognized and be bound as if he were the Member under these Articles.

2.5 Liability of Members

The liability of Members, shall be limited to an amount of R1.00 (ONE RAND) together with such other amount as may be owing by such Member to the HOA, from time to time, from whatever cause arising.

2.6 Register of Members

- 2.6.1 The HOA shall maintain at its offices a register of Members as provided in Section 105 of the Act.
- 2.6.2 The register of Members shall be open to inspection as provided in-Section 113 of the Act.

3 GENERAL MEETINGS

3.1 Annual General Meeting

- 3.1.1 The HOA shall hold a General Meeting every year to be known as the Annual General Meeting, on such date and at such time and place as may be determined by the HOA, and shall specify the nature of the meeting as such in the notice calling it, provided:-
- 3.1.1.1 that the Annual General Meeting shall be held not later than 6 (SIX) months after the end of each financial year of the HOA; and
- 3.1.1.2 that not more than 15 (FIFTEEN) months shall elapse after the holding of the last preceding Annual General Meeting.

3.2 General Meetings

- 3.2.1 All meetings, other than Annual General Meetings, shall be called General Meetings.
- 3.2.2 The Directors may at any time they deem fit, convene General Meetings of the HOA.

3.3 Notices of Meetings

3.3.1 Annual General Meetings

The Annual General Meeting and any meeting held for the passing of a Special Resolution shall be convened by not less than 21 (TWENTY ONE) days after notice has been given in writing.

3.3.2 General Meetings

General Meetings shall be called no less than 14 (FOURTEEN) Days after notice has been given in writing.

3.3.3 Form of Notice

- The notice shall specify the place, the day and the hour of The meeting and shall be given in the manner Hereinafter mentioned or in such other manner as may be prescribed by the HOA;
- 3.3.3.2. Notice shall be given to Members in the manner prescribed in these Articles:
- 3.3.3.3. The HOA shall, notwithstanding the fact that a



Meeting is convened on shorter notice than the time Period Specified in these Articles, be deemed to have been duly convened if so agreed to by a majority in number of the Members having a right to attend and vote at such meeting.

Proceedings at Meetings

3.4.1. Annual General Meeting

The Annual General Meeting shall deal with and dispose of all matters prescribed by the Act, including:

- 3.4.1.1 the consideration of the annual financial statements;
- 3.4.1.2 decisions on the number of Directors and election of Directors when such decision is required in accordance with the provisions of the Articles;
- 3.4.1.3 estimates of income and expenditure for the ensuing year;
- 3.4.1.4 the determination of levies;
- 3.4.1.5 the appointment of an auditor;
- 3.4.1.6 any other business laid before it.

3.4.2 General Meetings

All business laid before any General Meeting shall be considered special business.

3.4.3 Quorum

- 3.4.3.1 No business shall be transacted at any Annual General Meeting or General Meeting unless a quorum of Members is present at the time when the meeting proceeds to business.
- 3.4.3.2 A Quorum shall be made up of:
 - for the duration of the Development Period the 3.4.3.2.1

Developer or its duly appointed nominee,

3.4.3.2.2 after the Development Period, 25% (TWENTY-FIVE PER CENTUM) of Members, from time to time, subject to a minimum of 20 (TWENTY) Members, present in person.

3.4.3.3 If within half an hour after the time appointed for the meeting, a quorum is not present, the meeting:-

3.4.3.3.1 If convened upon the requisition of Members, shall be dissolved;

3.4.3.3.2 in any case, shall stand adjourned to a date not earlier than 7 (SEVEN) days and not later than 21 (TWENTY ONE) days after the date of the meeting;

3.4.4 Adjourned Meetings

At any adjourned meeting, if a quorum is not present within half an hour after the time appointed for the meeting, the Members present in person or by proxy shall be deemed to be a quorum.

3.4.5 Chairperson

- 3.4.5.1 The Chairperson, if any, of the HOA shall preside at every Meeting of the HOA.
- 3.4.5.2 If there is no such Chairperson, or if at any meeting he is not present within 15 (FIFTEEN) minutes after the time appointed for the holding the meeting or is unwilling to act as Chairperson, the Members shall elect one of their Members to be Chairperson



subject to the provisions of these Articles. 3453 The Chairperson may, with the consent of any meeting at which a quorum is present (and shall, if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than business left unfinished at the meeting at which the adjournment took place. 3.4.5.4 When a meeting is adjourned, the provisions of articles 3.4.3 and 3.4.4 shall mutatis mutandis apply to such adjournment. 3.4.6. Voting 3.4.6.1 At any Annual General or General Meeting a resolution put to the vote of the meeting shall be decided on by a show of hands and every Member present or represented by proxy; shall have one vote. 3.4.6.2 A declaration by the Chairperson that a resolution has, on a show of hands, been carried, or carried unanimously or by a particular majority or negated, and an entry to that effect in a book containing the minutes of the proceedings of the HOA, shall be conclusive evidence of the fact, without proof of the votes recorded in favour of or against such resolution, subject to the provisions of Article 3.5. 3.4.6.3 In the case of an equality of votes, the Chairperson of the meeting shall be entitled to a casting vote. **Proxies** 3.4.7 3.4.7.1 The instrument appointing a proxy shall be in writing under the hand of the appointing Member, 3.4.7.2 The instrument appointing a proxy shall be deposited at the Offices or appointed place for service, not less than 48 (FORTY-EIGHT) hours before the time for the holding of the meeting at which the person named in such instrument proposes to attend and vote pursuant thereto. 3.4.7.3 In default of compliance herewith, the instrument of proxies shall be treated as invalid for the purposes of attending or voting at that meeting or any adjournment thereof. 3.7.7.4 instrument, appointing а proxy shall be valid after the of 6 (SIX) from date expiration months the of its execution. provides. unless the proxy otherwise 3.4.7.5 The right accordance with the of to vote in terms an instrument of proxy shall become invalid immediately upon the death of the principal Member or revocation by the proxy. 3.4.7.6 The Member's appointment of the Developer, in terms of the Contract, to attend any meeting of the HOA and there and then to speak and vote on his behalf in regard to any Resolution and generally in respect of any other business of the HOA, for the duration of the Development Period, shall for the purpose of these Articles be regarded and accepted by the HOA as a valid instrument of proxy. 3.4.7.7 The Developer's right to act under and in terms of the proxy conferred upon it under the provisions of the abovementioned

Clause shall only lapse or terminate on the cessation of the Developers Membership of the HOA at the expiry of the

Development Period.



3.4.7.8 The instrument appointing a proxy shall be in the following form or in such other form which the Directors shall permit.

PROXY FORM

ALMOND BANK HOMEOWNERS ASSOCIATION

(Association incorporated under Section 21)

| I/we: | | | |
|---|---------------|-----------------------|--------------|
| Of: | | | |
| being a Member/Members of the abo | vementione | d HOA do hereby | appoint,: |
| | | | |
| of: | | | |
| or failing him | | | |
| of: | | | . // |
| or failing him the Chairperson -of the | | | |
| on my/our behalf at the Annual Gener | | | case may be) |
| of the HOA, to be held on theday ofday | | | |
| follows: | om and aca | ing diagodinimonic an | |
| | | | |
| | For | Against | Abstain |
| | For | Against | Abstain |
| | For | Against | Abstain |
| Resolution To | For | Against | Abstain |
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| Resolution To Resolution To | | | |
| Resolution To | | | |
| Resolution To Resolution To | of a cross in | the space provide | |
| Resolution To Resolution To (Indicate instruction to proxy by way of | of a cross in | the space provide | d) |
| Resolution To Resolution To (Indicate instruction to proxy by way of Unless otherwise instructed, the proxy | of a cross in | the space provide | d) |



*A Member entitled to attend and vote is entitled to appoint a proxy to attend speak and on a poll vote in his stead, and such proxy need not be a Member of the HOA".

3.5 Votes of Members

Every Member present at a meeting of the HOA, either in person or by proxy, shall be entitled to one vote only, provided:-

- 3.5.1 that for the Development Period, no resolution shall be carried unless the Developer or its nominee, being present, either in person or by proxy, votes in favour of such resolution; and
- 3.5.2 where the Member is the registered Member of more than 1 (one) Property, he shall have 1 (one) vote in respect of each Property owned by him.

4 INSPECTION OF MINUTES

The minutes kept of every General Meeting and Annual General Meeting of the HOA under Section 204 of the Act, may be inspected and copied as provided in Section 206 of the Act.

5 DIRECTORS

5.1 <u>Appointment</u>

- 5.1.1 During the Development Period there shall be not more than 3 (Three) Directors of the HOA.
- 5.1.2 For the entire duration of the Development Period the Directors shall be appointed by and be the Developer or its nominees.
- 5.1.3 Upon completion of the Development Period and the termination of the Developer's Membership of the HOA, the number of Directors, the manner of their election and retirement and their terms of office, shall be determined by the Members in General Meetings from time to time, provided the number of Directors thereafter shall not be less than 7 (SEVEN).
- 5.1.4 The appointment of any Director to fill any casual vacancy occurring on the HOA for whatever reason, shall be made by the Directors within 45 (FORTY FIVE) days of the date upon which such vacancy occurs, unless the Members otherwise determine in General Meeting, provided such Director shall retire from office at the next following Annual General Meeting, and shall them be eligible for reelection.
- 5.1.5 Only a Member may be elected as a Director of the HOA.

5.2 Retirement

- 5.2.1 A retiring Director shall be eligible for re-election.
- 5.2.2 The retirement of a Director shall not in itself necessitate that the individual resign his Membership.

5.3 General

5.3.1 if, as a result of retirement, resignation or otherwise the total number of Directors falls below the prescribed number, the HOA shall act



promptly to bring the number of Directors up to the level as required by these Articles.

- 5.3.2 If the Director so retiring or resigning was the nominee of the Developer, then during the Development Period his successor shall be appointed by the Developer.
- 5.3.3 The validity of any resolutions taken or acts performed by the Directors during a period when their number falls short of that provided herein, shall not be invalidated by such shortfall.
- 5.3.4 Any Director, for any reason whatsoever, may be removed by a majority decision of the HOA of Directors.
- 5.3.5 The Directors shall have the power to co-opt persons onto the HOA for the purposes of assisting the Directors in carrying out any of their functions, provided however that any such person so co-opted onto the HOA, shall not be entitled to vote on any matter which is considered by the HOA.

6 <u>ALTERNATE DIRECTORS</u>

- 6.1 The Developer may for any reason whatsoever appoint an alternate Director in place of its appointed nominee.
- 6.2 Any Director may obtain leave of absence by resolution of the majority of Directors, and such Director may thereupon appoint an alternate to act for him during his absence with all the powers and privileges enjoyed by him, but Subject to the terms, qualification and conditions applicable to the other Directors.
- The appointment of such alternate Director shall not, however, be valid unless confirmed by a resolution of the majority of Directors of the HOA.

7 DIRECTOR REMUNERATION

- 7.1 A Director shall not directly or indirectly receive any remuneration for his services as a Director of the HOA, provided that nothing in these Articles shall prohibit him from reimbursement for all travelling, subsistence and other expenses properly incurred by him in the execution of his duties in or about the business of the HOA and which have been authorised or approved by the HOA.
- 7.2 If any Director commits a breach of Article 7.1, he shall forthwith cease to be a Director and shall not be eligible for re-election.

8 POWERS AND DUTIES OF THE HOA

- 8.1 The business of the HOA shall be managed by the Directors who may on behalf of the HOA pay all expenses incurred in promoting and incorporating the HOA, and may exercise all such powers of the HOA as are not required by the Act, or by these Articles, to be exercised by the HOA in General Meeting.
- 8.2 Without in any way derogating from the generality of the aforegoing, the Directors shall be entitled to exercise on behalf of the HOA all and any of the common powers set out in these Articles, subject only to any contrary stipulation contained from time to time in the Articles.
- 8.3 The Directors may from time to time entrust to and confer upon any designated official of the HOA, Consultant, Managing Agent or any other



person or firm, for the time being, such of the powers and authorities vested in it as it may think fit, and may confer such powers and authorities for such time and to be exercised for such objects and purposes and subject to such terms and conditions and restrictions as it may think expedient, and they may confer such powers and authorities either collaterally or to the exclusion of, or in substitution for, all or any of the powers and authorities of the Directors and may from time to time revoke or vary all or any of such powers and authorities.

- Without in any way affecting the generality of Article 8.1, the HOA shall have the power to enter into contracts and agreements with third parties, including a Managing Agent, to give proper effect to the provisions of the Articles and in particular, to the management and control of the Development.
- 8.5 The Directors in General Meeting shall have the right to limit and restrict the powers of the HOA provided that no resolution of the HOA shall invalidate any prior act of the Directors which would otherwise have been valid.
- 8.6 The Directors shall have the power to formulate Rules and amend the same from time to time in respect of the management, control and administration of the Development and the HOA Property, and for the purposes of giving proper effect to the provisions of the Articles.
- 8.7 The Directors shall have the power to impose reasonable fines or other suitable penalties on those Members who fail to comply with the provisions of these Articles or the Rules.
- 8.8 The Directors shall have the power to ratify all contracts entered into with third parties by the Developer on behalf of the HOA upon the termination of the Development Period.
- 8.9 The Directors on behalf of the HOA may, pursuant to its rights, obligations and duties in terms of these Articles and as provided for and contemplated hereunder, incur such expenditure as may be necessary or requisite to enable it to give proper effect to the provisions of the Articles.
- 8.10 The Directors shall have the power to enter into income agreements in respect of the HOA Property and other contracts of similar nature, subject to such limits and restrictions imposed by the HOA in Annual General Meeting from time to time.
- 8.11 The HOA shall have all powers conferred on the Directors as set out in the Act.

9 MINUTES

- 9.1 The Directors shall in terms of Section 204 the Act, cause minutes to be kept:
 - 9.1.1 of all appointments of officers;
 - 9.1.2 of the names of Directors present at every meeting of the HOA;
 - 9.1.3 of all proceedings at all meetings of the HOA and of the Directors.
- 9.2 Such minutes shall be signed by the Chairperson of the meeting at which the proceedings took place or by the Chairperson of the next succeeding meeting.

10 DISQUALIFICATION OR RESIGNATION OF DIRECTORS

The office of Director shall be vacated if the Director:



- 10.1 ceases to be a Director by effluxion of the period of appointment; or
- 10.2 becomes prohibited from being a Director by virtue of any provision of the Act or these Articles; or
- 10.3 resigns his office by notice in writing to the HOA and the Registrar; or
- 10.4 becomes insolvent or assigns his estate for the benefit of or compounds with his creditors; or
- 10.5 is found to be lunatic or of unsound mind, or
- 10.6 is absent for 3 (THREE) consecutive meetings of the Directors without obtaining prior leave of absence; or
- in the case of the nominee of the Developer, on the Developer revoking his appointment; or
- 10.8 ceases to be an Member.

11. PROCEEDINGS OF HOA

11.1 General

- 11.1.1 The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit, but shall meet at least 4 (FOUR) times during a calendar year.
- 11.1.2 A Director or the HOA's Secretary on the requisition of a Director, may at any time summons a meeting of Directors.
- 11.1.3 The quorum necessary for the transaction of the business of the Directors, otherwise than for the Development Period, shall be made up of at least 4 (FOUR) Directors.
- 11.1.4 The Chairperson shall be elected by the Directors at the first meeting to be held in each calendar year, provided that for the Development Period the Chairperson shall be the Director nominated by the Developer.
- 11.1.5 if at a meeting the Chairperson is not present within 15 (FIFTEEN) minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairperson of the meeting.
- 11.1.6 Issues arising at any meeting of the Directors shall be decided by a majority of votes of the Directors present, provided:
 - each Director shall be entitled to exercise 1 (ONE) vote:
 - in the event of an equality of votes the Chairperson shall have a second or casting vote;
 - where a person is an alternate Director to more than one Director, or where an alternate Director is also a Director in his personal capacity, he shall have a separate vote on behalf of each of the Directors he is representing.

11.2 Committees

- 11.2.1 The Directors may delegate any of their powers to committees consisting of such persons as they think fit, who shall, in the exercise of the powers so delegated, conform to the Rules that may be imposed on them by the HOA.
- 11.2.2 A committee shall elect a Chairperson of its meetings, provided if



no such Chairperson is elected, or if at any meeting the Chairperson is not present within 15 (FIFTEEN) minutes after the time appointed for the meeting, the committee Members present may elect one of their number to be Chairperson of the meeting.

11.2.3 A committee may meet and adjourn as it thinks fit.

11.2.4 Questions arising at any meeting shall be determined by a majority of votes of the committee Members present and in the event of an equality of votes the Chairperson shall have a casting vote.

11.3 Validity of Acts

All acts carried out by the HOA or by any individual Director shall notwithstanding that it be discovered afterwards that there was some defect in acting as aforesaid or that any of them were disqualified, be valid as if every such person had been duly appointed and qualified to be a Director provided however that this shall not apply in the event of any act involving dishonesty, gross negligence, default, breach of duty or trust.

12 LIMITATION OF LIABILITY OF DIRECTORS

No Director shall be liable for any loss, damage to person or property or misfortune whatsoever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens as a result of his own dishonesty, gross negligence, default, breach of duty or trust.

14 FINANCE COMMITTEE

- 14.1 There shall be established a Finance Committee which shall consist of:
 - 14.1.1 during the Development Period, of 1 (one) person being a nominee of the Developer, subject however to the right of the Developer to consent to an additional 1 (one) person.
 - 14.1.2 upon termination of the Development Period, of at least 3 (three) Members with a maximum of 6 (six) Members.
- 14.2 The Finance Committee shall establish and maintain a Levy fund sufficient in its opinion for:
 - 14.2.1 generally the repair, control, upkeep, management and administration of the HOA, of the Development and all of the HOA Property;
 - 14.2.2 the provision of security services for the Development;
 - the payment of rates, taxes and other charges on the Development levied by the Local Authority or any other Services Authority;
 - any charges for the supply and monitoring of electric current, water, fuel, sanitary, refuse removal and any other services to and on the Development;
 - 14.2.5 any services required by the HOA to enable it to carry out its main and ancillary objects;
 - 14.2.6 for the covering of any losses suffered by the HOA;
 - 14.2.7 for the payment of any insurance premiums:



- 14.2.8 for the maintenance and upkeep of the sporting and recreational facilities and the irrigation systems and pumps within such area:
- 14.2.9 all other expenses incurred or to be incurred in relation to the HOA Property;
- 14.2.10 for the discharge of any other obligation of the HOA.
- The finance committee shall prepare for every Annual General Meeting an itemized estimate of anticipated income and expenses of the HOA during the ensuing financial year, which estimate shall be laid before the Annual General Meeting for consideration.
- 14.4 At every Annual General Meeting the HOA shall approve, with or without amendment, the estimate of income and expenditure, and shall determine the amount estimated to be required to be levied upon the Members during the ensuing financial year.
- The finance committee shall during the Development Period determine that portion of the total expenditure which is to be paid by the Developer and the balance of the expenditure to be borne by the Members.
- 14.6 The proportions in which the Members shall make contributions towards the levy fund as follows:
- 14.6.1 HOA Costs
 - Any HOA costs shall be borne equally by the Members.
- 14.6.2 <u>HOA Property Costs</u>
 - All HOA Property costs of whatsoever nature shall be borne equally by the Members.
- 14.6.3 <u>Developer's Contribution to Costs</u>

The Developer is specifically excluded from and shall not be required to make any additional payment or contribution towards the levy fund established by the HOA, other than the Levy payable as a Member.

- 14.6.4 Any other expenses shall be borne by the Members in equal shares.
- 14.6The amount levied upon each Member, shall be paid by such Member to the HOA monthly in advance, on the first day of each and every month, for the duration of the Membership, subject to the terms and provisions of these Articles.
- 14.7The levy fund shall be utilized for the purposes referred to in Article 14.2.
- 14.8Any Member who ceases to be a Member, notwithstanding such cessation of Membership, shall still remain liable for the payment of all levies attributable to him during his period of Membership of the HOA.
- 14.9Any amount due by any Member, whether in respect of a levy or any other amount falling due for payment under these Articles, which remains unpaid after the same has fallen due, shall bear interest as from the due date of payment to the actual date payment is received, at the rate of interest charged by the Standard Bank of South Africa Limited on its prime overdraft rate plus 2% (TWO PERCENTUM) per annum calculated monthly in arrears.
- 14.10 The HOA shall on the recommendation of the finance committee have the power to impose special levies on Members arising from extra-ordinary expenditure which was not available



to be included under Article 14.3 and shall be empowered to determine how such special levies are to be paid.

- 14.11 A Member shall not be entitled to a refund of any pre-paid amount standing to the credit of his levy account, unless he has ceased to be an Member.
- 14.12 All contributions levied under the provisions of these Articles shall be due and payable on the passing of a resolution to that effect by the Directors and may be recovered by the HOA instituting an action in any court (including any Magistrates Court) of competent jurisdiction from the Members liable for the payment of such contributions.
- 14.13 The HOA shall establish a Levy Stabilization Fund for the purpose of payment of any extraordinary expenditure or expenditure of a capital nature which might be incurred by the HOA in the carrying out its main objects and the provisions of these Articles.
- 14.14 Any income other than anticipated income referred to in Article 14.3., which is earned by the HOA, shall be paid into the Levy Stabilization Fund.

15 ACCOUNTING RECORDS

- 15.1 The HOA shall cause such accounting records as are prescribed by the Act to be kept.
- Proper accounting records shall be kept as are necessary to present the state of affairs and to explain the business and financial position of the HOA.
- The accounting records shall be kept at the office of the HOA or offices of the appointed Managing Agent and shall always be open for inspection by the Members.

16 ANNUAL FINANCIAL STATEMENTS

- 16.1 The HOA shall from time to time, in accordance with the Act, cause to be prepared and laid before the HOA in the Annual General Meetings such financial statements as are prescribed by the Act.
- A copy of the annual financial statements which are to be laid before the HOA in Annual General Meeting shall, not less than 21 (TWENTY ONE) days before the date of the meeting, be sent to every Member of the HOA and to the Registrar of Companies; provided that these Articles shall not require a copy to be sent to any person of whose address the HOA is not aware.
- The financial year of the HOA shall commence on the 1st day of March of each year and terminate on the last day of February of the following year, provided that the Directors may amend these dates by resolution of a Directors meeting.

17 AUDIT

- 17.1 An auditor shall be appointed in accordance with the Act.
- 17.2 For the duration of the Development Period, the Developer shall be entitled to nominate and appoint the HOA's Auditor.

18 NOTICES

18.1 A notice may be given by the HOA to any Member:



- 18.1.1 by publication in such local newspapers as the Directors may from time to time determine; or
- 18.1.2 by hand delivery to the Member at his Property; or
- 18.1.3 by posting the notice in a prepaid envelope to the Member at his registered address; or
- 18.1.4 if he has no registered address in the Republic, at the address within the Republic supplied by him to the HOA for the giving of notices; or by affixing the notice to the HOA's Public Notice board.
- 18.2 Notice of every Annual General Meeting shall be given in the manner authorised:
 - 18.2.1 to every Member of the HOA, except to those Members who (having no registered address within the Republic) have not supplied to the HOA an address within the Republic for the giving of notices to them;
 - 18.2.2 to the auditor for the time being of the HOA.
- 18.3 No other person shall be entitled to receive notice of Annual General Meetings.
- Any notice sent by post shall be deemed to have been given at the time when the same was posted, and any notice given by publication, shall be deemed to have been given on the day which the notice was published in the newspaper and in providing the giving of the notice by post, It shall be sufficient to prove that the envelope containing the notice was properly addressed and posted.
- 18.5 The failure to give notice to any Member or the failure of any Member to receive a notice shall not invalidate any proceedings of the HOA.

19 WINDING UP OF THE HOA

In the event of the HOA being wound up, de-registered or dissolved, its assets after the satisfaction of all its liabilities, shall be given or transferred to some other association or institution as the Members in such winding up order shall determine, provided that such association or institution shall have objects similar to those of the HOA.

20 REPAIR, UPKEEP, ADMINISTRATION, MANAGEMENT AND CONTROL OF THE DEVELOPMENT

20.1 <u>Rules</u>

The HOA shall have the power to formulate and amend Rules in addition to the existing Conduct Rules and /or Management Rules, which shall be binding on all Members, in respect of the management, control and administration of the Development and the HOA Property, which shall be as follows, and which may be amended by the HOA from time to time as the HOA deems appropriate:

The HOA shall not have the power to amend any Rule where at a
General Meeting a specific restriction or guide-line has in respect thereof been imposed and
approved by the Members, provided that during the Development Period, the Developer shall
not be restricted in any way by the provisions of this Article.

20.3 Enforcement of Rules

- 20.3.1 The HOA may take such steps as are necessary to remedy the breach of any Rules by a Member.
- 20.3.2 The HOA shall formulate from time to time a schedule of the amount of the fines or other penalties in respect of any breach of the Rules.
- 20.3.3 The HOA shall give notice of breach to the Member concerned in the manner



- authorized and after providing the Member with an opportunity to refute such allegation, shall adjudicate upon such issue, and where necessary, impose such fine or other penalty as is deemed pertinent.
- Any Member found guilty of a breach of the Rules and for which a fine is imposed, shall have the cost thereof debited to such Member's levy account, which amount shall be deemed to be a debt owing by such Member to the HOA.
- 20.3.5 In the event of a breach of the Rules by any Member's guests, invitees or other persons occupying the Unit, such breach shall be deemed to have been committed by the Member himself and the HOA shall be entitled to take such action as they may deem fit against such Member.
- 20.3.6 Notwithstanding the foregoing, the HOA shall be authorized in the HOA's interests to enforce the provisions of any Rule by way of Court application.
- 20.3.7 For the purposes of enforcement of the Rules, the HOA, as they deem fit may appoint Attorneys or Counsel to act on the HOA's behalf.

20.4 Nature and Amenity of the Development

- 20.4.1 The HOA, in order to procure compliance with the nature and amenity of the Development, shall control the right of any Member to erect or build any Improvements or other structure on any Member's Property, which dwelling or structure shall during and after the Development Period, strictly adhere to the Architectural Requirements and Guidelines imposed by the Developer from time to time, as reflected in the Development Manual, and which shall be subject to such rights of control which have been conferred upon the Developer and which may have been registered against each Member's title deeds to his Property, and which said rights shall supersede the HOA's rights or be exercised by the Developer in conjunction with the HOA, as the Developer solely at its discretion deems necessary.
- 20.4.2 The HOA's right of control shall include any extension or addition to any existing Improvements or other structure, which when erected or constructed is visible from the outside of the building.
- 20.4.3 Any Member wishing to erect or build any Improvements or structure on his Property, shall submit to the Design Review Committee such approved plans, drawings, fees and ancillary documents as may be necessary in the opinion of the HOA for it to grant approval thereto, provided the Design Review Committee:
 - 20.4.3.1 in its sole discretion may approve, refuse or require such amendments to be made to such application as may be deemed necessary to comply with the nature and amenity of the Development;
 - 20.4.3.2 may grant its approval subject to such conditions that it deems applicable:
 - 20.4.3.3 must grant its approval in writing and the Chairperson shall be required to sign the same;
 - 20.4.3.4 may determine from time to time, the prescribed fee to be paid by the Members when submitting any application for approval in terms of this Article.
 - 20.4.3.5 may increase or decrease floor coverage of the building or structure on the Property to the maximum permitted by the Local Authority, subject to the Town, Planning Scheme in operation in respect of the Township.
 - 20.4.3.6 Without affecting the generality of the foregoing, no Member shall:



| 20.4.3.6.1 | change the colour of the exterior walls, roof, exterior of any doors and window frames, or any exterior fixtures or fittings of any Improvements; |
|-------------|---|
| 20.4.3.6.2 | replace or remove any pergolas, blinds, shutters or ornaments attaching to or upon the exterior walls or surfaces of the Improvements or other structure provided a Member shall be entitled to renew such existing items as may require replacement, either with |
| | identical items or where this is not possible, Items of a similar nature or appearance; |
| 20.4.3.6.3 | make any additions or extensions to any Property; |
| 20.4.3.6.4 | erect any additional buildings, structures or fences whether of a temporary or permanent nature upon any Member's Property; |
| 20.4.3.6.5 | remove any fixture, fittings, doors, windows; |
| 20.4.3.6.6 | demolish any portions of any Improvements or other structure; |
| 20.4.3.6.7 | erect or rebuild any structure which has been demolished, |
| 20.4.3.6.8 | erect or build any lean-to, carport or awning, |
| 20.4.3.6.9 | erect or build any structure from any material of whatsoever nature, |
| 20.4.3.6.10 | erect any dwelling or structure on the Property other than within the designated area imposed or approved of by the Developer from time to time. |
| | |

Without the prior written approval of the Developer or HOA, as the case may be, it being recorded that the HOA in exercising its rights of control under the provisions of the Articles, shall be bound by and strictly adhere to the provisions of the Development Manual, including conditions imposed by the Developer from time to time.

20.5 Landscaping

- The landscaping of the HOA Property, shall only be undertaken by or at the instance of the HOA.
- 20.5.2 No Member shall without the authority of the HOA, be entitled on the HOA Property, to:

20.5.2.1 plant, remove or trim any tree, shrub or grass.

20.5.2.2 attempt to erect or remove any fence, wall or other structure.

20.5.3 Landscaping by Members of their Property shall be undertaken in accordance with the provisions of the Development Manual and EMP, in keeping with the Indigenous theme, including conditions imposed by the Developer from time to time.

20.6 Provision of Services

20.7.1 The HOA shall be entitled, from time to time, to enter into contracts with third parties for the provision of services to the Development and the HOA Property.



20.7.2 The cost of providing such services shall be included in the amount of the levy payable by the Members to the HOA, provided the HOA shall ensure that no Member shall be liable for a pro-rata contribution in respect of a service which he does not actually receive.

20.8 Private roads and HOA Property

Members and their invitees shall be entitled to use all HOA Property as well as the private roads on the Development, subject to such conditions as the Directors may impose from time to time, provided that at all times Members shall have the right to vehicular and pedestrian ingress and egress from the Development to a public road.

20.9 <u>Maintenance of Property</u>

- 20.9.1 Notwithstanding anything to the contrary herein or elsewhere stated Members of Property shall be personally responsible for the repair and maintenance of gardens, in accordance with the Indigenous theme, and the exterior and interior of their Property.
- 20.9.2 Upon réceipt of written notice given by the HOA, a Member shall undertake such repairs or maintenance to his Property as may be specified in such notice.
- 20.9.3 In the event of failure by such Member to timeously comply with the above notice, the HOA shall be entitled to effect such repairs and maintenance and any costs so incurred, shall be a debt due to the HOA by the Member and shall be payable on demand.

20.10 Occupation of Property

- 20.10.1 Occupation of Property shall at all times, be in compliance with the Rules and the number of persons occupying a Property shall be determined by the HOA, from time to time.
- 20.10.2 Members wishing to let their Property, shall do so subject to such Rules and conditions as the HOA may, from time to time, impose, provided that any intended lessee may be required, at the Discretion of the Directors to obtain the HOA's approval, whereby the lessee agrees to be bound by the provisions of these Articles and the Rules and provided further that the onus of ensuring that the lessee complies with all provisions contained in the Contract, Rules, and these Articles will at all times remain with the Member.

20.11 <u>Infrastructure, Services /Septic Tanks Trans-evaporation Areas</u>

- 20.11.1 The Developer and Members shall be obliged to consent to the provision, establishment, maintenance and repair of services required for infrastructure of the Development or in respect of HOA Property, which shall be effected at the cost of the HOA.
- 20.11.2 Where such services are required to be laid across, within or along the boundary of any property, or in such place or places as the HOA may determine from time to time, the Developer and the Members shall consent to the HOA or such persons duly authorised by it, to enter upon the property for the purpose of providing, establishing, maintaining and/or repairing such services, which rights may be contained in and set forth in every Member's title deed to his Property.
- 20.11.3 In the event that the sewage system within the Development to deal with the disposal of sewage comprises septic tanks, soak pits and trans-evaporation areas, no Member shall be entitled to interfere with or prevent the disposal thereof or the HOA's right to ensure the successful operation of the system.



- 20.11.4 In the event that the HOA elects to pump or suction any Member's septic tank, the HOA shall be entitled to enter upon such Member's property with the necessary equipment and machinery as may be required to carry out such work.
- 20.11.5 The maintenance, upkeep and repair of each Member's septic tank and transevaporation area (within the Property), shall be borne solely by each Member himself.

20.12 <u>Security / Access</u> 20.12.1 The HC

- 20.12.1 The HOA shall be obliged to secure the perimeter of the Development on a 24-hourly basis.
- 20.12.2 The HOA shall be entitled to prohibit ingress to and egress from the Development or HOA Property to any person other than to Members their lessees, any of the foregoing persons' guests or invitees or any other duty authorized persons.
- 20.12.3 The HOA shall be entitled to provide such other security as It deems appropriate for the safety of the Members.
- 20.12.4 The HOA may in its sole discretion, deny access to the Development to any person, not being a Member, or request such person to leave the Development, if in its opinion such person constitutes a security risk.
- 20.12.5 The HOA shall be obliged to implement an access system in terms of which access and egress to and from the Development can at all times be strictly and effectively controlled so as to ensure maximum security to all persons within the Development.
- 20.12.6 No Member shall be entitled to refuse to be bound by the provision of any access system implemented by the HOA.

20.13 <u>Enforcement of obligations of Members</u>

- 20.13.1 Should any Member or any Member's lessee fail to perform any obligation incumbent upon them within the time period of any notice requesting compliance, the HOA shall be entitled, at its discretion, to incur such expenditure as it deems necessary or requisite to procure actual compliance therewith.
- 20.13.2 The costs incurred by the HOA shall be payable on demand by the Member concerned or may be debited to the Members Levy.

20.14 Responsibility of Members for their Guests, Lessees or invitees

Every Member shall be strictly responsible and accountable to the HOA for their guests, lessees and other invitees, whilst any such person is within the Development.

20.15 Conservation and Environment

The HOA and all Members shall ensure compliance with the EMP and that no cultivation of exotic species of vegetation, damage, destruction or removal of any indigenous vegetation, occurs or takes place within the Development.

20.16 Use of HOA Property and the Lifestyle Centre

- 20.16.1 Only Members (and their immediate family residing on the Property) shall be entitled to use the HOA Property and the Lifestyle Centre.
- 20.16.2 No tenant, guest or Member's invitee shall be entitled to use the Lifestyle Centre unless in the presence of or accompanied by a Member.
- 20.16.3 Any Member whose tenant, guest or invitee commits a breach of the provisions of this Article, shall be responsible and accountable to the HOA as if the Member had personally committed such breach.
- 20.16.4 Where the Member is a legal persona, being either a Trust, Close Corporation or



Company, the HOA, entirely at its discretion, shall permit in addition to the nominated Member, a maximum Member of Trustees, Members or Directors to utilize the HOA Property and Lifestyle Centre by reference to the number of bedrooms in such Member's Property multiplied by two, provided the HOA shall be entitled from time to time, to repeal or amend the aforementioned number as it deems necessary.

20.16.5 The HOA, on application by a tenant for permission to use the Lifestyle Centre referred to this Article, may entirely at its own discretion and under no obligation to any Member or tenant, agree to grant temporary Membership to such tenant of use of the HOA Property or Lifestyle Centre, subject to such terms and conditions as may be contained in the Rules or which might, in addition, be imposed by the HOA as it deems fit.

20.17 <u>Domestic Servants</u>

- 20.17.1 The HOA shall be entitled to control the employment of domestic servants within the Development and impose such terms and conditions thereto as the HOA may deem necessary, from time to time, subject always to the provisions of any applicable Statutory Acts as may be in force at such time.
- 20.17.2 Every Member shall strictly adhere to the HOA's requirements and criteria relating to the employment of domestic servants.
- 20.17.3 Not more that 2 (Two) domestic servants shall be entitled to reside on any Member's property.

20.18 Resale of Member's Property

- 20.18.1 The consent to sell or transfer Property within the Development must first be obtained in writing from the HOA or their duly appointed nominee;
- 20.18.2 The selling/transferring Member must have satisfactorily settled all his levies and other obligations to the HOA prior to consent being given.
- 20.18.3 The transferee must agree to become a Member of the HOA.
- 20.18.4 An Member wishing to dispose of a Property within the Development and who requires the services of an Sales Agency in regard to such disposal, must arrange the sale through the appointed Estate Agent nominated by the HOA as having the Sole Mandate.
- 20.18.5 The Member must use the Estate Agent directly, but may request the use one of the "outside agencies" selected, briefed and enrolled on an approved panel by the HOA. Further, the Member may request the use of an "outside agency", other than one on the select panel. In this case the Estate Agent will contact the requested agency and brief them as to specify property and the conditions under which they are required to operate. The commission for the sale shall be by arrangement between the actual selling agency and the Estate Agent.
- 20.18.6 Where an Member wishes to sell Property privately and does not wish to use the services of the Estate Agent or any outside agency, this may be done, but the final sale document Must be arranged through the Estate Agent for which a nominal fee is charged.

20.19 Water/Electricity: Payment by Members

20.19.1 The supply of water/electricity to the Property is provided by the relevant Service Authority and is individually metered.



- 20.19.2 Every Member shall be obliged to make payment to the relevant Service Authority of a water/electricity connection fee and a water/electricity meter charge.
- 20.19.3 The calculation of the consumption of electricity by Members and their payment in respect thereof, shall be controlled by the relevant Service Authority.

20.20 Leasing of HOA's facilities

The HOA shall in General Meeting give such directions and guidelines to the HOA as are deemed necessary in regard to the leasing of any of the HOA's facilities to third parties.

21 RATIFICATION OF CONTRACTS

- 21.1 The HOA shall be obliged on termination of the Development Period to ratify all contracts of employment currently then in existence and entered into by the Developer on behalf of the HOA.
- 21.2 The Directors of the HOA shall ratify all such contracts and to honor the same, and to perform in terms thereof until such time as the HOA decides in a General Meeting to cancel or terminate the same

22 STATUS OF DEVELOPER

- In the event of the Developer disposing of the Remainder of the Development to some third party, such third party shall, mutatis mutandis, be deemed to be the Developer under these Articles.
- The decision of the HOA as to what constitutes a disposal of the Remainder of the Development shall be final and binding on the Members.
- 22.3 On finalization of the Development Period, the Developer will be under no obligation to continue any services provided by it either to the HOA or in connection with the Development, the HOA being entirely responsible for the continuation of such services, if it deems such service necessary.

23. COMPLETION OF THE DEVELOPMENT

- 23.1 The Developer shall be entitled to complete the Development without reference to the HOA first being had and obtained.
- 23.2 Where the development of the HOA Property is concerned, the Developer shall in so far as is possible comply with these Articles as if it were a Member.
- 23.3 The Developer shall in no way be obliged to consult or obtain permission in any manner or form from the HOA in regard to the completion of the Development.
- 23.4 In the event of it being necessary for the Developer to rezone any land within the Development, the HOA grants its consent to such application for rezoning provided such application conforms with any Town Planning Scheme in the course of preparation or any other Scheme applicable from time to time.
- 23.5 No Member shall be entitled to object to any application contemplated by the Developer in terms of these Articles, and the Member hereby waives such right.

24. REPUDIATION OF LIABILITY



- 24.1 The Developer and HOA (including its Directors, officers and Trustees) shall not be:-
 - 24.1.1 liable for any injury or death of any person, damage to, or loss of any property, occurring or suffered upon the Development irrespective of the cause thereof;
 - 24.1.2 responsible for any theft of property occurring on the Development
- 24.2 No Member shall:-
 - 24.2.1 have any claim or right of action against the Developer or HOA for any damages or loss suffered;
 - be entitled to withhold or set off payment of any amount due to the Developer or HOA by the Member as a result of any loss or damage suffered.
- 24.3 The HOA or its duly appointed agents shall not be liable to the Members or their lessees, servants, invitees or generally to any person who might have entered the Development, for any injury, loss or damage of any description, which the Member or such other person may have suffered or sustained, whether directly or indirectly in or about the Development, regardless of the cause thereof.