

NOTICE 26/20

22 May 2020



COVID-19 SPECIAL NOTICE (18)

LEGAL STRUCTURE

Dear Homeowner,

Because of the number of new homeowners who have moved onto the estate recently, it was decided to repost this notice, which was first published in January 2019.

A further notice will be published next week, giving more background.

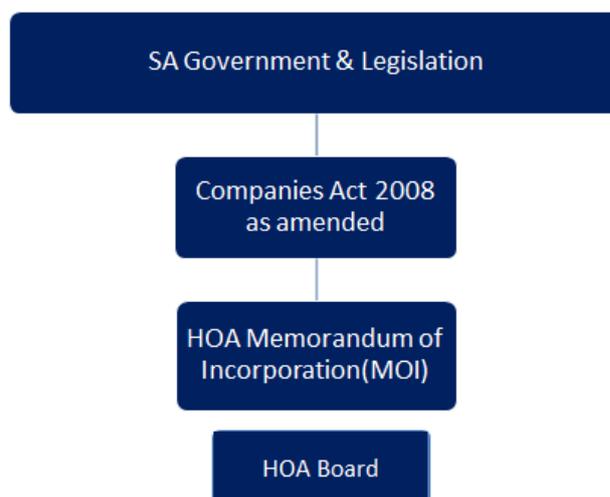
In late 2019 a series of summaries of the MOI were published. These can be viewed on the Arabella portal, to which all homeowners have access.

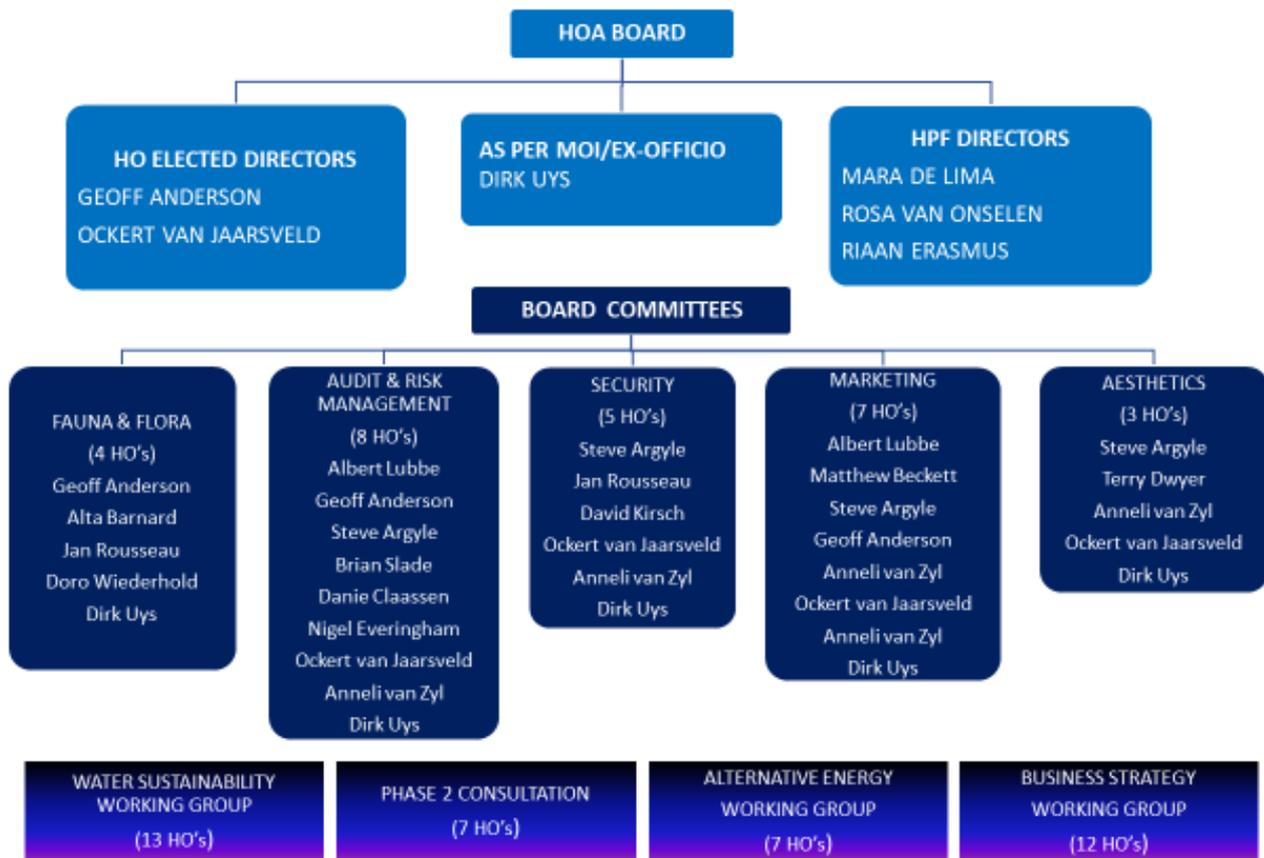
The full legal name of the HOA is the Arabella Country Estate Homeowners Association NPC (HOA). The NPC stands for Not for Profit Company. The company is registered under section 21 of the Companies Act, the legislation governing all companies in South Africa. Basically it means that the company may not make profits and distribute the profits or assets to its members. All the other provisions set out in the Act are applicable to the HOA.

When purchasing a plot at Arabella, each homeowner signs an undertaking to become a member and to abide by the rules and regulations governing the company.

In addition to the Act each company is obliged to have a registered Memorandum of Incorporation (MOI). This document contains the rules and regulations adopted by the HOA. It can include items additional to the Companies Act, but is always secondary to the Act. For example the MOI contains a clause that the members at the AGM must approve the envisaged expenditure on items of a capital nature.

The drawing below sets out the legal and committee structure of the company.





There are also specific regulations and dispensations regarding the income tax payable by an NPC.

Both the Act and the MOI set out what must be approved at the annual general meeting of the company. It gives very wide powers to the elected board of directors to manage and control the running and affairs of the company. It does give the members rights, which include the right to call for general meetings and the ultimate power which is to remove the directors from office.

A number of years ago, the board approved the formation of a number of committees. The purpose of this was twofold, both to involve more members and to act as an advisory to the board. The board approves the membership of the committees, as well as the chairman. These committees meet every two or three months to discuss matters relating to their portfolio, plus any matters a member may wish to place on the agenda. They also set the annual budget for specific projects to be addressed in the following year. If any member wishes to know more about the running of the estate or be more involved, they should inform the Estate office of their interest.

Some Working Groups are also formed from time to time, as listed in the illustration above.

COURIER DELIVERIES

With the expected increase in on-line shopping, we have evaluated the risk of transfer with courier deliveries and a decision was taken to forthwith allow deliveries to a residence. Normal visitor announcement and security protocol will be followed.

PRIVATE HOUSEHOLD EMPLOYMENT

With reference to our Covid 19 Special Notice 21/20, please be reminded of the following:

Our interpretation is that domestic staff which ordinarily live-in at the home owner/employer's residence **and** staff employed by private households who care for the sick, mentally ill, elderly, people with disabilities and children are allowed to work, according to the regulations. A detailed procedure has been suggested in said Notice.

Furthermore, Home owners must please keep in mind that they as "employers" have a responsibility to create a safe workplace and to minimise the risk of exposure to Covid-19. Social distancing, wearing of masks, gloves, etc. should be followed. It's important to keep in mind that Government wants to limit movement from one household to another to curb the spread of the virus.

Stay safe.

Geoff Anderson and Dirk Uys

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HOME OWNER CORNER

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