

Republic of South Africa
Companies Act, 1973.

Registration No. of Company

85 04082/07

CERTIFICATE OF INCORPORATION
of a Company having a share capital


THIS is to certify that

CLUB WILD COAST SHAREBLOCK (PROPRIETARY) LIMITED

was this day incorporated under the Companies Act, 1973

(Act 61 of 1973) and that the Company is a company having
a share capital.

SIGNED and sealed at Pretoria this 3 day of
September One Thousand Nine Hundred and EIGHTY FIVE


Registrar of Companies

Seal of Companies Registration Office

This certificate is not valid unless sealed by the seal of the Companies Registration Office.

Notarial Certificate

I the undersigned

JOHN FRANCIS WILLIAMS

a Notary Public practising at Pretoria in the Republic of South Africa
certify that the attached documents being the
Memorandum of Association and the Articles of
Association of the Company named

CLUB WILD COAST SHARPBLOCK (PROPRIETARY) LIMITED

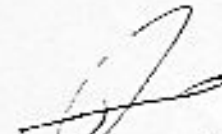
are true and correct copies of the signed
originals

Signed at Pretoria on

30

AUGUST

1985


Notary Public

ADAMS & ADAMS

Attorneys Notaries & Conveyancers

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0001

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REPUBLIC OF SOUTH AFRICA COMPANIES ACT, 1973

MEMORANDUM OF ASSOCIATION

OF A COMPANY HAVING A SHARE CAPITAL

Registration No. of Company

85 04082/07

- 1. NAME
The name of the Company is CLUB WILD COAST SHAREBLOCK (PROPRIETARY) LIMITED .

- 2. PURPOSE DESCRIBING MAIN BUSINESS
The main business which the company is to carry on is to operate a share block scheme in respect of certain immovable property to be acquired by the company.

- 3. MAIN OBJECT
The main object of the company is to operate a share block scheme in respect of certain immovable property to be acquired by the company.

- 4. ANCILLARY OBJECTS EXCLUDED
None of the specific ancillary objects referred to in Section 33(1) of the Act, is excluded from the unlimited ancillary objects of the Company.

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5. POWERS

5.1 The company shall have only such powers as may be necessary to enable it to realise subject to the provisions of the Share Blocks control Act 1980, its main object and objects ancillary to that main object.

5.2 The company shall not have the power save with the approval by special resolution of a general meeting of the company to alienate any immovable property of which it is the owner or of any of its rights to immovable property of which it is not the owner and in respect of which it operates a share block scheme.

6. CONDITIONS

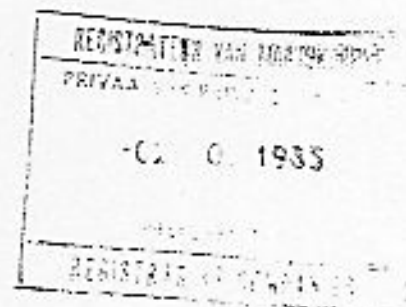
Any special conditions which apply to the Company and the requirements, if any, additional to those prescribed in the Act for their alteration:

7. PRE-INCORPORATION CONTRACTS

No Pre-Incorporation agreements.

8. CAPITAL

The share capital of the company is R100,00 divided into 100 ordinary par value shares of R1,00 each.



1. NEIL ANDREW ARNOLD



whose occupation is
MANAGING DIRECTOR

residing at
17 VALLEY VIEW BEACON BAY EAST LONDON

having a business address at
61 OLD MAIN TRANSKEI ROAD, EAST LONDON

and the following postal address
61 OLD MAIN TRANSKEI ROAD, EAST LONDON

am desirous of forming a company in pursuance of this memorandum of association and agree to take up the number of shares in the capital of the Company, set opposite my signature below.

I also agree to pay for the par value of the shares of the Company as determined by this memorandum and to pay for the number of no par value shares of the Company, that amount determined by the Company when the shares are issued to me.

Date and signature of
subscriber

Number, in words, and type of
shares taken.

1 (ONE) ORDINARY SHARE

30 AUGUST 1985

Date and signature of witness



30/AUGUST 1985

Particulars

Full names

NICOLENE COSTZER

Occupation

TYPIST

Residential address

15 HILRIANDA FLATS, ARCADIA STREET,
ARCADIA, PRETORIA

Business address

110 BENSTRA BUILDING, CHURCH STREET,
ARCADIA, PRETORIA

Postal address

P O BOX 1014, PRETORIA, 0001

Form CM 44A

REPUBLIC OF SOUTH AFRICA
COMPANIES ACT, 1973ARTICLES OF ASSOCIATION OF A COMPANY HAVING A SHARE
CAPITAL NOT ADOPTING SCHEDULE 1

(Section 60(1); Regulation 18)

Registration No. of Company

85 04082/07

Name of Company: CLUB WILD COAST SHAREBLOCK (PROPRIETARY) LIMITED

- A. The articles of Table A or Table B contained in Schedule 1 to the Companies Act, 1973, shall not apply to the company.
- B. The articles of the company are as follows:

INTERPRETATION

In the interpretation of these Articles of Association and unless contrary to or excluded by the subject or the context-

- 1.1 words signifying the singular number shall include the plural and vice versa;
- 1.2 words signifying the masculine shall include feminine;
- 1.3 any words defined in the Companies Act No. 61 of 1973 and not defined in 1.6 shall bear the same meaning in these Articles of Association;

- 1.4 the headings and marginal notes of Articles are for reference purposes only and shall not be taken into account in construing these presents;
- 1.5 each term, power or authority herein shall be given the widest possible interpretation;
- 1.6 the following words and expressions shall have the following meanings:



<u>Words and Expressions</u>	<u>Meanings</u>
"Alternate Director"	a person duly appointed as an Alternate Director of the Company in terms of Article 17.
"the Company"	this company.
""company"	save as a reference to the Company includes any association of persons or body corporate as the case may be.
"capital"	the authorised share capital of the Company.
"share"	a share in the capital of the Company.
"debenture"	a debenture issued by the Company whether secured or unsecured.
"the Directors"	the Board of Directors of the Company.
"General Meeting"	the Annual General Meeting of an Extraordinary General Meeting of the Company, as the case may be.
"Annual General Meeting"	the Annual General Meeting of the Company duly called and constituted or any adjournment thereof.
"Extraordinary General Meeting"	an Extraordinary General Meeting of the Company duly called and constituted or any adjournment thereof.
"joint holders of shares"	registered holders of any share as provided for in Article 4 of the Articles.

"Member"	the registered holder of a share in the Company.
"the Memorandum"	the Memorandum of Association of the Company as amended from time to time.
"the office"	the registered office for the time being of the Company.
"person"	includes a body corporate, a company or association of persons as the case may be.
"Secretary"	the Secretary of the Company for the time being or any authorised person acting in his place and includes any person authorised by the Directors to carry out any of the duties of the Secretary.
"sign"	includes the reproduction of a signature, printing with an india-rubber stamp or other kind of stamp, or any other mechanical means.
"the Act"	the Companies Act, 61 of 1973 (as amended)
"the Company in General Meeting"	the Company acting by an ordinary resolution passed at a General Meeting.
"the Register"	the Register of Members of the Company kept at the office or at such other place as may be authorised by the statutes or these presents.
"these presents"	the Articles of Association of the

Company for the time being in force.

"writing"

includes printing, typewriting, lithography or any other mechanical process or partly one and partly the other process.

RESTRICTIONS

- 2.1 The directors shall have regard to the restrictions on the commencement of business imposed by section 172 of the Act.
- 2.2 The company is a private company and accordingly-
- 2.2.1 the right to transfer its shares is restricted;
 - 2.2.2 the number of members of the company (exclusive of persons who are in the employment of the company and of persons who having been formerly in the employment of the company were, while in such employment, and have continued since the determination of such employment, to be members of the company) is limited to fifty;
 - 2.2.2 any invitation to the public to subscribe for any shares or debentures of the company is prohibited; and
 - 2.2.3 the company shall not have power to issue share warrants to bearer.
3. Where two or more persons hold one or more shares of the company jointly they shall be treated as a single member.

SHARES AND CERTIFICATE OF SHARES

- 4.1 The authorised share capital of the company is R100,00 divided into 100 ordinary par value shares of R1,00 each, apportioned between 56 (FIFTY SIX) share blocks numbered 1 - 56 in accordance with the schedule annexed hereto marked "A".
- 4.2 The shares comprising each share block shall confer upon the holder for the time being of each share block the right to enter

upon the property of the company and to the use of the common property and the facilities of the company for recreational purposes, provided however that the shares comprising of share blocks number 1 - 50 and 52 - 55 confer on each holder for the time being of each of the said share blocks a right to erect a villa on the site so designated on the immovable property of the company. Share block number 51 shall entitle the holder thereof to the right to use the existing cottage on the property. Share block number 56 shall confer upon the holder for the time being of share block number 56 the right to erect, control and manage a hotel complex on the said share block. In addition the holder for the time being of each share block shall have certain ancillary rights and uses in all cases as specified in the use agreement to be entered into between the company and shall holder. Provided further that the holders of the share blocks numbers 1 - 50 shall be obliged to within a period of 18 months from the date of their purchase of the share block to erect a villa on the designated site, such villa to comply in both design, quality of construction and finish with the requirements laid down by the company. In the event of the purchaser not erecting the villa within the period of 18 months, the company shall have the right to repurchase the share block from the purchaser at the price which the purchaser paid for the share block at the time of purchase thereof.

- 4.3 Save as is otherwise hereinafter provided for and subject to the provisions of the Share Blocks Control Act, and without prejudice to any special rights previously conferred on the holders of existing shares in the company, any share may be issued with such preferred, deferred or other special rights or subject to such restrictions (whether in regard to dividend, return of share capital or otherwise) as the company may from time to time determine and the company may determine that any preference shares shall be issued on the condition that they are or are at the option of the company liable to be redeemed. The company shall not have power to issue share warrants to bearer.



5. If at any time the share capital is divided into different classes or shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied with the consent in writing of the holders of three-quarters of the issued shares of that class, or with the sanction of a resolution passed at a separate general meeting of the holders of the shares of that class and the provisions of Section 199 of the Act shall mutatis mutandis apply to the said resolution and meeting, as if the resolution were a special resolution. To every such separate general meeting the provisions of these regulations relating to the general meetings shall mutatis mutandis apply, but so that, unless the class consists of one member only, the necessary quorum shall be two persons at least holding or representing by proxy one-third of all the issued shares of the class.
6. Every person whose name is entered as a member in the register of members shall, without payment, be entitled to a certificate for all the shares registered in his name. Thereafter such person shall be entitled to subsequent certificate in respect of one or more of the shares held by him, but for every such subsequent certificate the directors may make such charge as they may from time to time think fit. On every share certificate shall be indicated the number of shares to which it relates and the amount paid up in respect thereof.
7. If a share certificate be destroyed or lost, or has become illegible, another certificate may be issued on payment of an amount not exceeding R5,00 (FIVE RAND) and on condition that the member applying therefor is able to produce evidence to the satisfaction of the directors of such destruction, loss or illegibility, and indemnifies the company against such claims as may arise in consequence of the further issue of the certificate.

8. Share certificates shall be issued under the authority of the directors in such manner and form as they from time to time prescribe. If any shares are numbered all such shares shall be numbered in numerical progression beginning with the numbers one, and each share shall be distinguished by its appropriate number, and if any shares are not numbered all share certificates in respect of such shares shall be numbered in numerical progression and each share certificate distinguished by its appropriate number and by the endorsement required under Section 95(2) of the Act.
9. A certificate for shares registered in the names of two or more persons shall be delivered to the person first named in the register as a holder thereof and delivery of a share certificate to that person shall be sufficient delivery to all joint holders of that share.

TRANSFER AND TRANSMISSION OF SHARES

- 10.1 No share may be transferred except simultaneously with and to the same transferee as the whole of the other shares included in the same share block and together with the transfer, cession and assignment of
 - 10.1.1 the relevant portion of the loan obligation allocated to the share block in question, and
 - 10.1.2 the Use Agreement pertaining to the share block in question, and the assumption by the transferee of all the transferor's obligations thereunder.
- 10.2 Save as otherwise provided in these Articles, no share may be transferred to any transferee without the prior consent and approval of the directors of the company, which consent shall not, however, be unreasonably withheld. This article shall not apply, however, to the transfer of any shares by a member or by

- his executors or administrators or other legal representatives to the spouse or any descendant or ascendant of such member. No such consent shall be necessary for the transfer of shares held by the share block developer.
11. The instrument of transfer of any shares in the company shall be in the form which the directors approve and shall be executed by both the transferor and the transferee but the directors are entitled to waive the requirement of the transferee's signature thereon. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members as holder thereof.
 12. Every instrument of transfer, accompanied by a certificate of the shares to be transferred, shall be lodged at the registered office of the company. Before a transfer may be registered the transferor shall pay in settlement of the expenses arising from the transfer of shares such fees, in respect of each deed of transfer, as may be fixed by the directors in consultation with the companies auditors.. Every power of attorney given by a shareholder authorising the transfer of shares, shall when lodged produced or exhibited to the company, be deemed as between the company and the donor of the power to continue and remain in full force and effect, and the company may allow that power to be acted upon until such time as express notice in writing of its revocation has been lodged at the company's registered office where the power was lodged, produced or exhibited. The company shall not be bound to allow the exercise of any act or matter by an agent for the shareholder unless a duly certified copy of that agent's authority be produced and lodged with the company.
 13. The executor of the estate of a deceased sole holder of a share shall be the only person recognised by the company as having any title to the share. In the case of a share registered in the names of two or more holders, the survivors or survivor or the

- executor of the deceased survivor shall be the only persons recognised by the company as having any title to the share.
14. Any persons becoming entitled to a share in consequence of the death or insolvency of a member shall, upon such evidence being produced as may from time to time be required by the directors, have the right, either to be registered as a member in respect of the share or instead of being registered himself, to make such transfer of the share as the deceased or insolvent could have made, but the directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by the deceased or insolvent before the death or insolvency.
 15. The parent or guardian of a minor and the curator bonis of a lunatic member or a mentally deficient member or of a member who has been declared a prodigal and any person becoming entitled to shares in consequence of the death or insolvency of any member or the marriage of any female member or by any lawful means other than by transfer in accordance with these articles, may, upon producing such evidence as sustains the character in respect of which he proposes to act under this article, or of his title, as the directors think sufficient, transfer these shares to himself or any other person subject always to the articles as to transfer hereinbefore contained. The articles is hereinafter referred to as the "TRANSMISSION CLAUSE".
 16. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company.

17. Any person who submits proof of his appointment as the executor, administrator, trustee, curator or guardian in respect of the estate of a deceased member of the company, or of a member whose estate has been sequestrated or of a member who is otherwise under a disability or as the liquidator of any body corporate which is a member of the company, shall be entered in the register of members of the company nomine officii, and shall thereafter for all purposes, be deemed to be a member of the company.

ALTERATION OF CAPITAL

18. The company may from time to time by special resolution increase the share capital by such sum divided into shares of such amount, or may increase the number of its shares of no par value to such number, as the resolution shall prescribe.
19. The new shares shall be subject to the same provisions with reference to liens, transfer, transmission and otherwise as the shares in the original capital.
20. The company may, by special resolution-
- 20.1 consolidate and divide all or any of its share capital into shares of larger amount than its existing shares or consolidate and reduce the number of the issued shares of no par value;
 - 20.2 increase its number of no par value shares without an increase of its stated capital;
 - 20.3 sub-divide its existing shares or any of them into shares of smaller amount than is fixed in the memorandum;



- 20.4 convert all of its ordinary or preference share capital consisting of shares having a par value into stated capital constituted by shares of no par value;
- 20.5 convert its stated capital constituted either by ordinary or preference shares of no par value into share capital consisting of shares having a par value;
- 20.6 cancel any shares which, at the date of the passing of the resolution, have not been taken by any person, or which no person has agreed to take;
- 20.7 reduce its share capital, any capital redemption fund or any share premium account in any manner and with, and subject to, any incident or any condition or consent authorised or required by law;
- 20.8 subject to the provisions of section 99 of the Act, convert its issued preference shares into shares which can be redeemed;
- 20.9 convert any of its shares whether issued or not into shares of another class.

GENERAL MEETING

21. The company shall hold its first annual general meeting within eighteen months after the date of its incorporation and shall thereafter in each year hold an annual general meeting: Provided that not more than fifteen months shall elapse between the date of one annual general meeting and that of the next and that an annual general meeting shall be held within six months after the expiration of the financial year of the company.
22. Other general meetings of the company may be held at any time.

- 23.1 Annual general meetings and other general meetings shall be held at such time and place as the directors or the company in general meeting shall appoint or at such time and place as is determined if the meetings are convened under section 179(4), 181, 182 or 183 of the Act.
- 23.2 If at any time there are not sufficient directors in South Africa to act as a quorum, any director or any two members of the company may convene a general meeting in the same manner as nearly as possible as that in which meetings may be convened by directors.

PROCEEDINGS AT GENERAL MEETINGS

- 24.1 An annual general meeting and a meeting called for the passing of a special resolution shall be called by not less than twenty-one clear days' notice in writing, and any other general meeting shall be called by not less than fourteen clear days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting and, in the case of special business, the general nature of that business, and shall be given in the manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the company in general meeting, to such persons as are, under these articles, entitled to receive such notices from the company; provided that a meeting of the company shall, notwithstanding that it is called by shorter notice than that specified in this regulation, be deemed to have been duly called if it is so agreed by a majority of the members having a right to attend and vote at the meeting, being a majority holding not less than ninety-five percent of the total voting rights of all the members.
- 24.2 No resolution for the dismissal of a director or the removal of the auditor or other resolution for which special notice is

required in terms of any provisions of the Act shall have effect unless notice of the intention to move it had been given to the company not less than twenty-eight days before the meeting at which it is moved, and the company shall give its members notice of any such resolution at the same time and in the same manner as it gives notice of such meeting not less than twenty-one days before the meeting: provided that if a meeting of the company is called for a date twenty-eight days or less after notice of the intention has been given to the company, the notice, though not given within the time required by this article, shall be deemed to have been properly given for the purpose hereof. The share block developer shall not be entitled to vote on a resolution for the removal of a director appointed in terms of Section 12 of the Share Blocks Control Act.

25. The annual general meeting shall deal with and dispose of all matters prescribed by the Act, including the sanctioning of a dividend, the consideration of the annual financial statements, the election of directors and the appointment of an auditor, and may deal with any other business laid before it. All business laid before any other general meeting shall be considered special business.
26. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as herein otherwise provided, two (2) members present in person, or if the company has one member, such member present in person or by proxy, or if the company is a wholly owned subsidiary, the nominee of the holding company in person or by proxy, shall be a quorum.
27. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to a day not earlier than seven days and not later than twenty-one days after the date of the meeting. If

- at such adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the members present in person or by proxy, shall be a quorum.
28. Where a meeting has been adjourned as aforesaid, the company shall, upon a date not later than three days after the adjournment send a written notice to each member of the company stating-
- 28.1 the date, time and place to which the meeting has been adjourned;
- 28.2 the matter before the meeting when it was adjourned; and
- 28.3 the ground for the adjournment.
29. The chairman, if any, of the board of directors shall preside as chairman at every general meeting of the company. If there is no such chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairman, the members present shall choose one of their number to be chairman.
30. In addition to those instances where a chairman is in terms of the provisions of section 192 of the Act, compelled to adjourn a meeting, he may with the consent of a meeting adjourn the meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned in terms of section 192 or a meeting for the passing of a special resolution, notice of the adjourned meeting shall be given in accordance with the provisions of articles 27 and 28, but in all other instances such notice shall not be necessary.

- 51.1 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman or members referred to in section 198(1)(b) of the Act, and unless a poll is so demanded, a declaration by the chairman that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or negatived, and an entry to that effect in the book containing the minutes of the proceedings of the company, shall be conclusive evidence of the fact, without proof of the number of proportion of the votes recorded in favour of or against such resolution.
- 31.2 A resolution in writing signed by all the members who are at that stage entitled to receive notice of, and to be present at, and to vote at general meetings, shall be as valid as a resolution adopted at a general meeting of the company which has been convened and held in the prescribed manner. If such a member is a body corporate, the resolution must be signed by an agent of the body corporate.
32. If a poll is duly demanded it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. In computing the majority on the poll regard shall be had to the number of votes to which each member is entitled under these articles. Scrutineers shall be elected to declare the result of the poll, and their decision, which shall be given by the chairman of the meeting, shall be deemed to be the resolution of the meeting at which the poll is demanded.
33. Nor on a show of hands nor on a poll shall the chairman be entitled to a second or casting vote.
34. A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any



other question shall be taken at such time as the chairman of the meeting directs. The demand for a poll shall not prevent the continuation of a meeting for the transaction of any business other than the question upon which the poll has been demanded.

VOTES OF MEMBERS

- 35.1 Each share of the company shall confer the same vote as every other share of the company.
- 35.2 On a show of hands every member present in person or by proxy and if a member is a body corporate its representative shall have one vote and on a poll every member present in person or by proxy shall have one vote for each share of which he is the holder.
36. In the case of joint holders the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose seniority shall be determined by the order in which the names appear in the register of members.
37. The parent or guardian of a minor, and the curator bonis of a lunatic member, and also any person entitled under the TRANSMISSION CLAUSE to transfer any shares, may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of those shares; provided that forty-eight hours at least before the time of holding the meeting at which he proposes to vote he shall have satisfied the directors that he is such parent, guardian or curator or that he is entitled under the TRANSMISSION CLAUSE to transfer those shares, or that the directors have previously admitted his right to vote in respect of those shares. Several executors of a deceased member in whose name shares stand in the register shall, for the purpose of this regulation be deemed joint holders of those shares.

- 38. On a show of hands and on a poll votes may be given either personally or by proxy.

PROXIES

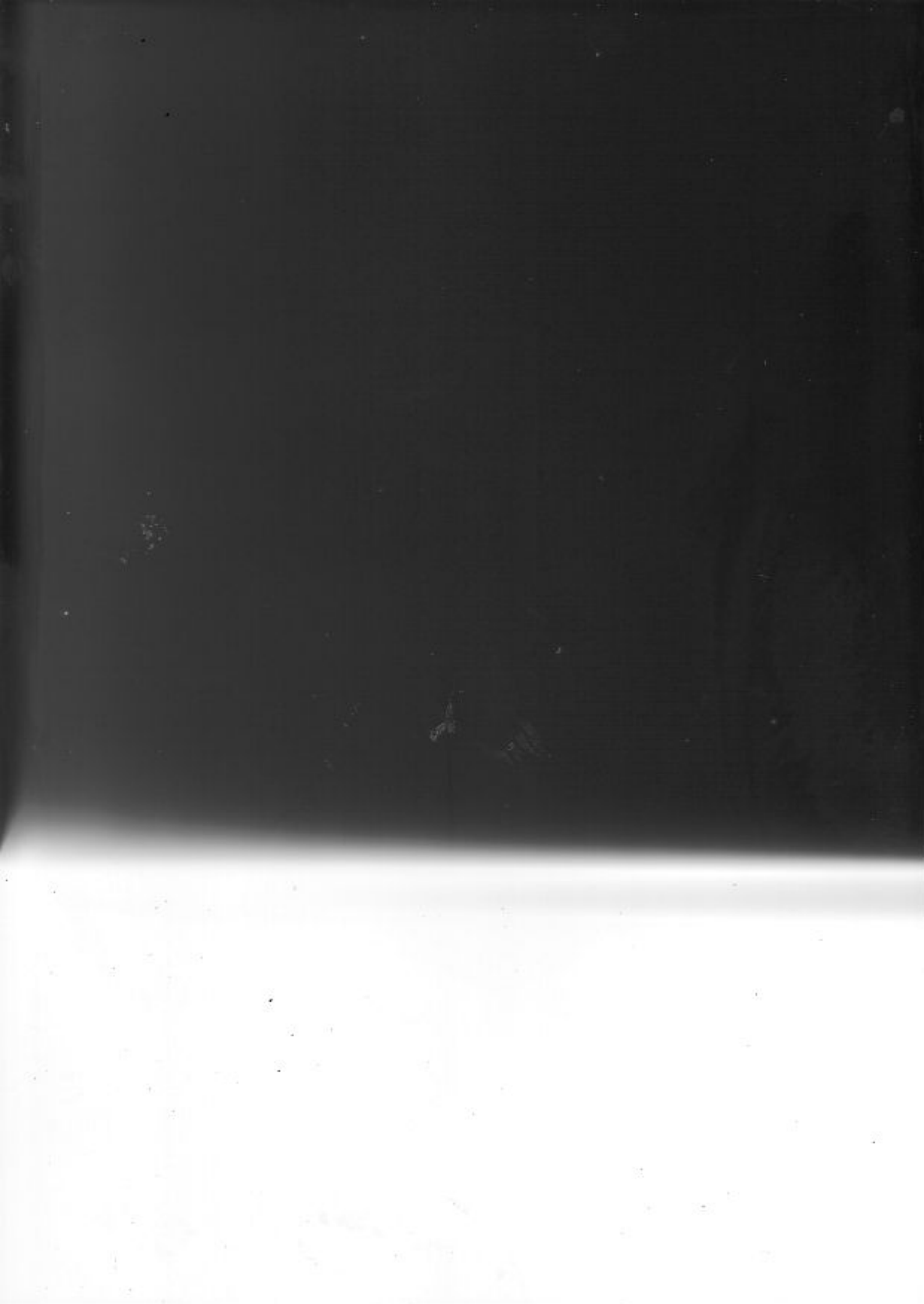
- 39. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his agent duly authorised in writing, or if the appointer is a body corporate, under the hand of an officer or agent authorised by the body corporate. A proxy need not be a member of the company and a member may not appoint more than one proxy.
- 40. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority shall be deposited at least forty eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of six months from the date when it was signed, unless so specifically stated in the proxy itself, and no proxy shall be used at an adjourned meeting which could not have been used at the original meeting.
- 41. The instrument appointing a proxy shall be in the following form or as near thereto as circumstances permit:

"..... Limited"
 I/We

 of

 ... being a member/members of the abovementioned company hereby
 appoint

of



.....
 or failing him
 of

 as my/our proxy to vote for me/us and on my/our behalf at the
 annual general meeting or general meeting (as the case may be) of
 the company to be held on the day of
 and at any adjournment thereof as
 follows:

	In favour of	Against	Abstain
Resolution			to
.....			
Resolution			to
.....			
Resolution			to
.....			

(indicate instruction to proxy by way of a cross in space provided above).

Unless otherwise instructed, my/our proxy may vote as he thinks fit.

SIGNED this day of

.....
 Signature

(Note: 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 also be a member of the company).

DIRECTORS

42. The number of directors shall not be less than one and the names of the first directors may be determined in writing by a majority of

the subscribers of the Memorandum. Until directors are appointed every subscriber of the Memorandum shall be deemed for all purposes to be a director of the company. Notwithstanding the foregoing, members of the company, other than the share block developer shall if they-

42.1 do not exceed 10 (TEN) in number have the right to appoint at least one of the directors of the company; and

42.2 exceed 10 (TEN) in number, have the right to appoint at least two of the directors of the company.

43. The remuneration of directors shall from time to time be determined by the company in general meeting.

44. If any director be called upon to perform extra services or to make any special exertions in going or residing abroad, or otherwise, for any of the purposes of the company, the directors may award to such director the remuneration on which they may decide, and such remuneration may be either in addition to, or in substitution for his remuneration as determined under the last preceding regulation. The directors shall be compensated for all travelling and other expenses which they have incurred properly.

45. A director or alternate director is not required to hold any shares to qualify as such.

ALTERNATE DIRECTORS

46. Each director shall have the power to nominate another person to act as alternate director in his place during his absence or inability to act, and the appointment shall remain effective unless the directors decide to cancel the appointment at the next succeeding meeting. On his appointment as such, the alternate director shall, in all respects, be subject to all the conditions applicable to the other directors of the company.

47.1 The alternate directors, whilst acting in the place of the directors who appointed them, shall exercise and discharge all the duties and functions of the directors they represent. The appointment of an alternate director shall be cancelled and the alternate director shall cease to hold office whenever the director who appointed him shall cease to be a director, or shall give notice to the secretary of the company that the alternate director representing him shall have ceased to do so, and in case of the disqualification or resignation of any alternate director during the absence or inability to act of the director whom he represents, the vacancy so arising shall be filled by the chairman of the directors nominating a person to fill such vacancy, subject to the approval of the board.

47.2 An alternate director-

- 47.2.1 is entitled to attend a meeting of directors or to act or to vote if the director to whom he is an alternate is not present: provided that he may attend a meeting of the directors at which the director to whom he is an alternate is present if the other directors agree to it;
- 47.2.2 is only entitled to sign a resolution which may lawfully and effectively be taken otherwise than at a meeting of directors in terms of the Act if the director to whom he is an alternate is at that stage absent from the place where he is normally resident or is not able to act;
- 47.2.3 may subject to the foregoing in general exercise all the rights of the director to whom he is an alternate in the absence or during the incapacity of that director;
- 47.2.4 is in all respects subject to the terms and conditions pertaining to the appointment, the rights and duties and the occupation of the office of director to whom he is an



alternate, but is only entitled to such remuneration as the directors may decide in their discretion.

POWERS AND DUTIES OF THE DIRECTORS

48. The business of the company shall be managed by the directors. They may pay all expenses incurred in promoting and incorporating the company, and may exercise all such powers of the company as are not by the Act, or by these articles required to be exercised by the company in general meeting, subject, nevertheless, to any of these articles and the provisions of the Act.
49. Subject to the restrictions contained in the Share Blocks Control Act and to the provisions of any agreement existing from time to time between the company and any shareholder or shareholders
- 49.1 the directors may in their discretion, from time to time, raise or borrow from the members of other persons any sums of money for the purposes of the company without limitation;
- 49.2 the directors may raise or secure the repayment of such moneys in such manner and upon such terms and conditions in all respects as they think fit, and in particular by the issue of debentures, redeemable or non-redeemable and secured or unsecured, any mortgage, charge or other security on the undertaking or the whole or any part of the property of the company, both present and future.
50. The directors may from time to time appoint one or more of their body to the office of managing director or manager for such period and at such remuneration (whether by way of salary or commission, or participation in profits, or partly in one way, and partly in another), as they may think fit; but his appointment shall determine ipso facto if he shall cease from any cause to be a director.

51. The directors may from time to time entrust to or confer upon a managing director or manager such of the power and authorities vested in them, as they may think fit, and may confer such powers and authorities for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they may think expedient. The directors may confer such powers and authorities of the directors and may from time to time revoke or vary all or any of such powers and authorities.

52. The directors shall in terms of sections 204 and 242 of the Act cause minutes to be kept-

52.1 of all appointments of officers;

52.2 of the names of directors present at each meeting of the directors; and

52.3 of all proceedings at all meetings of the company and of the directors;

and every director present at a meeting of directors shall sign his name in a register kept for that purpose. Such minutes must be signed by the chairman of the meeting at which the proceedings took place or by the chairman of the next meeting. The minutes of meetings of the company must be made available to members in terms of section 206 of the Act for purposes of inspection and the making of copies.

53. The office of director shall be vacated if the director-

53.1 does not qualify to be, or is by an order, prohibited from being a director in terms of the provisions of sections 218 and 219 of the Act;

53.2 resigns his office by notice in writing to the company.

- 54.1 The company may from time to time in general meeting increase or reduce the number of directors.
- 54.2 The directors shall have the power at any time and from time to time to appoint a person as an additional director and the appointment shall remain in force unless it is resolved at the next succeeding general meeting to set the appointment aside.

PROCEEDINGS OF DIRECTORS

55. The directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In the event of an equality of votes the chairman shall not have a second or casting vote. A director may, and the secretary on the requisition of a director shall, at any time convene a meeting of the directors.
56. The following provisions apply in respect of the proceedings of directors-
- 56.1 The quorum necessary for the transaction of the business of the directors, unless there is only one director, may be fixed by the directors and unless so fixed shall, when the number of directors exceeds three (3), be three (3) and when the number of directors does not exceed three (3), shall be two (2), provided always that if any director has or any directors have been appointed in terms of the provisions of article 42, the number of directors required for a quorum at any meeting of directors of the company shall include that director or at least one of those directors as the case may be but if such director or directors, if any, is or are not present within half an hour after the time appointed for such meeting, the meeting shall stand adjourned to a day not earlier than five (5) days and not later than fourteen

(14) days after the date of the meeting, as may be decided, and if at such adjourned meeting such director or directors is or are not present within half an hour after the time appointed for the meeting, the directors present shall be a quorum.

56.2 Subject to the provisions of article 56.3 the continuing directors may act notwithstanding any vacancy in their body.

56.3 Though the continuing directors may act notwithstanding any vacancy in their body if and so long as their number is reduced below the number fixed by or pursuant to the regulations of the company as the necessary quorum of directors, the continuing directors may act for the purpose of increasing the number of directors to that number, or of convening a general meeting of the company, but for no other purpose.

57. Subject to the provisions of section 236 of the Act, a resolution in writing, signed by all the directors who are in South Africa, and so too, any resolution signed by all the members of a committee, shall be deemed to be of the same force and effect as if it had been adopted at a meeting of the directors or of the committee, respectively, which had been properly called, constituted and held.
58. The directors may elect a chairman of their meetings and determine the period for which he is to hold office; but if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the directors present may choose one of their number to be chairman of the meeting.
59. The directors may delegate any of their powers to committees consisting of such member or members of their body as they think

- fit. Any committee so formed shall, in the exercise of the powers so delegated, conform to any rules that may be imposed on them by the directors.
60. A committee may elect a chairman of their meeting if no such chairman is elected, or if at any meeting is not present within five minutes after the time appointed for holding the same, the members present may choose one of their number to be chairman of the meeting.
61. A committee may meet and adjourn as they think proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in case of an equality of votes the chairman shall not have a second or casting vote.
62. All acts done by any meeting of the directors or a committee of directors, or by any person acting as a director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a director.
63. In conjunction with his directorship of the company a director may occupy any office or position in the company carrying remuneration or other advantage. The directors may decide on the conditions in regard to remuneration, term of office and the powers pertaining to such office or position.
64. Subject to the provisions of sections 234 up to and including 241 of the Act a director may enter into contracts with the company and share in the profits of any contract or agreement with the company in the same manner as a person who is not a director. After a director had declared his interest in such contract or agreement beforehand he is entitled to vote in respect thereof and to be counted for purposes of determining the quorum on that occasion.



DIVIDENDS, BONUS AND RESERVE

65. The directors decide on the dividends each year but may from time to time pay to the members the interim dividends as appear to the directors to be justified by the profits of the company.
66. Dividends shall only be paid out of profits, whereby is not included realised and unrealised appreciation in the value of fixed assets.
67. The directors may, before recommending any dividends, set aside out of the profits of the company such sums as they think proper as a reserve or reserves, which shall, at the discretion of the directors be applicable for meeting contingencies or for equalising dividends or for any other purpose to which the profits of the company may be properly applied. Pending such application the reserves may, at the like discretion, either be employed in the business of the company or be invested in such investments as the directors may think fit, without the directors being liable for any depreciation or loss as a result of such investments, whether it be the customary or approved type of investment of trust funds or not.
68. If several persons are registered as joint holders of any share any one of them may give effectual receipts for any dividend payable on the share.
69. Notice of any dividend that may have been declared shall be given in the manner hereinafter mentioned to the persons entitled to share therein.
70. The directors may deduct from the dividends or bonuses payable to a member all amounts which may be owing from time to time by such member to the company. The company pays no interest on a dividend or bonus and a dividend or bonus which remains unclaimed for a period of five (5) years after it had been declared may be declared forfeited for benefit of the company by the directors provided that

the person entitled thereto had been given notice of the forfeiture at his last registered address.

71. Every dividend or bonus may be paid by cheque or otherwise as the directors may from time to time determine, and shall either be sent by post to the last registered address of the member entitled thereto or be given to him personally, and the receipt or endorsement on the cheque or other instrument of payment of the person whose name appears in the register as the shareholder, or his duly authorised agent shall be a good discharge to the company in respect thereof.
72. The company shall not be responsible for the loss in transmission of any cheque or other instrument of payment sent through the post to the registered address of any member, whether or not it was so sent at his request.

ACCOUNTING RECORDS

73. The directors shall cause such accounting records as are prescribed by Section 284 of the Act and Sections 13 and 15 of the Share Blocks Control Act to be kept. Proper accounting records shall not be deemed to be kept if there are not kept such accounting records as are necessary-
- 73.1 fairly to present the state of affairs and business of the company and to explain transactions and financial position of the trade or business of the company;
- 73.2 to account for and fairly to reflect and explain the state of affairs in respect of all moneys:
- (i) paid in respect of the amount of the loan obligation referred to in section 14 (3) of the Share Blocks Control Act;

(ii) entrusted to a practitioner or an estate agent or deposited by the company in its trust account referred to in sub-section 15(1) of the Share Blocks Control Act or invested in any savings or other interest bearing account referred to in sub-section 15(2) of the Share Blocks Control Act.

74. The accounting records shall be kept at the registered office of the company or at such other place or places as the directors think fit, and shall always be open to the inspection of the directors.
75. The directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounting records of the company or any of them shall be open to the inspection of members not being directors. No member (not being a director) shall have any right of inspecting any accounting records or document of the company except as conferred by the Act or by the company in general meeting.

FINANCIAL STATEMENTS

76. The directors shall from time to time, in accordance with sections 286 and 288 of the Act, cause to be prepared and laid before the company in general meeting such annual financial statements and group annual financial statements (if any) as are referred to in those sections.
77. A copy of the financial statements and group annual financial statements which is to be laid before the company in annual general meeting, shall not less than twenty-one days before the date of the meeting be sent to every member and debenture holder of the company; provided that this article shall not require a copy of those documents to be sent to any person of whose address the company is not aware or to more than one of the joint holders of any shares of debentures.

78. Without derogating from the provisions of Chapter XI of the Act, the company shall balance its books and records relating to any payment or any account referred to in article 76.2 above at intervals of not more than six (6) months and cause such books and records and the financial statements in respect thereof to be audited at least once annually by the auditor appointed under Chapter X of the Act.

AUDITORS

79. An auditor shall be appointed in accordance with Chapter X of the Act.

NOTICES

80. A notice may be given by the company either personally or by sending it through the post in a prepaid letter addressed to such member at his registered address, or (if he has no registered address in South Africa) at the address (if any) within South Africa supplied by him to the company for giving of notices to him.
81. Whenever a notice is to be given personally or sent by post the notice may be given by the company to the joint holders of a share by giving the notice to the joint holder named first in the register in respect of the share.
82. Whenever a notice is to be given personally or sent by post the notice may be given by the company to the persons entitled to a share in the consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or trustees of the insolvent or by any like description at the address in South Africa supplied for the purpose by the persons claiming to be so entitled. Until such address has been so supplied, notice may be given in any manner in which the same might have been given if the death or insolvency had not occurred.



83. Notice of every general meeting shall be given in some manner hereinbefore authorised to-

83.1 every member of the company, except those members who (having no registered address in South Africa) have not supplied to the company an address within South Africa for the giving of notices to them; and

83.2 every person entitled to a share in consequence of the death or insolvency of a member who, but for his death or insolvency would be entitled to receive notice of the meeting; and

83.3 the auditor of the company.

No other person is entitled to receive notices of general meetings.

84. Any notice given by post shall be deemed to have been served on the day following that on which the letter containing the same is posted and in proving the giving of the notice sent by post it shall be sufficient to prove that the letter containing the notice was properly addressed and posted.

85. A notice given to any member shall be binding on all persons claiming on death, or by a transmission of his interests.

86. The signature to any notice given by the company may be written or printed, or partly written and partly printed.

87. When a given number of days' notice or notice extending over any other period is required to be given, the day of service and the day to which the notice refers shall not be counted in such number of days or period.

LEVY FUND

88. The directors shall establish and maintain a levy fund sufficient

in their opinion to provide for

- 88.1 the administration of the company and its affairs and the repair, upkeep, control and management of the immovable property in respect of which the company operates the share block scheme;
 - 88.2 the payment of rates and taxes and other local authority charges on the said immovable property, and charges for the supply of electric current; gas, water, fuel and sanitary and any other services to the said immovable property;
 - 88.3 services required by the company;
 - 88.4 the covering of any losses suffered by the company;
 - 88.5 the payment of any insurance premiums;
 - 88.6 payment of all expenses incurred or to be incurred to effect the opening under section 5 of the Sectional Titles Act of a sectional title register in relation to the said immovable property; and
 - 88.7 the discharge of any other obligation of the company.
89. Subject to any specific written agreement or arrangement between the company and its members, every member shall contribute monthly to the total amount to be contributed by all members to the levy fund in the same proportion which the number of shares of the members stands to the total number of issued shares.
90. The directors must ensure that-

- 90.1 all contributions to the levy fund forthwith be paid into a separate account kept for this purpose with a bank or building society or be entrusted to an attorney answering to the definition of "practitioner" in the Attorneys Act 1979 or to an estate agent answering to the definition of "estate agent" in the Estate Agents Act 1976, and such contributions must be utilised to defray the costs in respect of the matters referred to in article 88.
- 90.2 such accounting records be kept as are necessary fairly to reflect and explain the state of affairs in respect of the moneys received and expended by or on behalf of the company in respect of the share block scheme operated by the company.

LOAN OBLIGATION

- 91.1 The company shall not increase its loan obligation if any or encumber any of its assets unless the increase or encumbrance has been approved by a resolution accepted by at least 75 per cent in number of the members, excluding from such members the share block developer as defined in the Share Blocks Control Act 1980, having the right to vote at the relevant meeting and holding in the aggregate at least 75 percent of the total number of votes of all those members but excluding from such number of votes the votes held by such share block developer. The restriction on the increase of the company's loan obligation herein referred is not to be so construed that it restricts the replacement of an obligation or part thereof by another.
- 91.2 The loan obligation of the company shall be allocated to all members of the company, in accordance with the provisions of the memorandum of association or these articles of any agreement or arrangement in writing relating to the loan obligation between the company and the members or, in the absence of such provisions, in

the proportion of each member's share to the total number of issued shares of the company.

91.3 Every member of the company shall be liable to the company in respect of its loan obligation for an amount equal to that portion of the loan obligation for which he is liable on such of the grounds referred to in article 91.2 as may apply to him.

91.4 No monies paid to the company in reduction or, in settlement of the amount for which a member is liable in respect of the company's loan obligation shall be applied otherwise than in accordance with the relevant provisions of the memorandum or articles of association of the company or any agreement or arrangement in writing relating to the repayment of that amount between the company and its members or, failing such provision, in accordance with a resolution as contemplated in article 91.1.

91.5 The provisions of the Act relating to notice and registration of a special resolution shall mutatis mutandis be observed in respect of a resolution referred to in article 91.1 as if such resolution were a special resolution.

91.6 All moneys paid to the company by a member in respect of its loan obligation shall be dealt with strictly in accordance with the provisions of section 15 of the Share Blocks Control Act 1980.

WINDING UP

92. If the company be wound up, the assets remaining after payment of the debts and liabilities of the company and the costs of the liquidation shall be applied as follows:

92.1 to repay to the members the amounts paid up on the shares respectively held by each of them; and

- 92.2 the balance (if any) shall be distributed among the members in proportion to the number of shares respectively held by each of them: provided that the provisions of this article shall be subject to the rights of the holders of shares (if any) issued upon special conditions.
93. In a winding-up, any part of the assets of the company, including any shares or securities of other companies may, with the sanction of a special resolution of the company, be paid to the members of the company in specie, or may, with the same sanction, be vested in trustees for the benefit of such members, and the liquidation of the company may be closed and the company dissolved.

MISCELLANEOUS

94. Save for the provisions of Section 53 of the Act the company may in terms of Section 55 of the Act by way of special resolution alter the provisions of its memorandum with respect to the objects and powers of a company.
95. The company shall indemnify every director against all losses or liabilities incurred by him or about the execution of his office, including suretyships entered into on behalf of the company. The said indemnity shall also apply in respect of liabilities incurred by a director, as a result of conducting himself in his capacity as such, in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted under section 248 of the Act, in which relief is granted to him by the court. No director shall be liable for any loss, damage, or misfortune whatever which shall happen in the execution of the duties of his office, or in relation thereto. The indemnity aforementioned is, however, subject to the provisions of section 247 of the Act.



96. The company as developer and holder from time to time of all the unissued shares in the company shall at all times be entitled to develop the unallocated portions of the property by the provision of sporting and other facilities more particularly by the erection and maintenance of a club house, squash courts, bowling greens, tennis courts, swimming pool, with island bar, sun deck and all access and other roads providing both access to the sites and the facilities provided by the company.

ARTICLESSCHEDULE "A"

<u>FLAT NUMBER</u>	<u>SHARE BLOCK NUMBER</u>	<u>NUMBER OF SHARES</u>
1	1	1
2	2	1
3	3	1
4	4	1
5	5	1
6	6	1
7	7	1
8	8	1
9	9	1
10	10	1
11	11	1
12	12	1
13	13	1
14	14	1
15	15	1
16	16	1
17	17	1
18	18	1
19	19	1
20	20	1
21	21	1
22	22	1
23	23	1
24	24	1
25	25	1
26	26	1
27	27	1
28	28	1
29	29	1

FLAT NUMBER	SHARE BLOCK NUMBER	NUMBER OF SHARES
30	30	1
31	31	1
32	32	1
33	33	1
34	34	1
35	35	1
36	36	1
37	37	1
38	38	1
39	39	1
40	40	1
41	41	1
42	42	1
43	43	1
44	44	1
45	45	1
46	46	1
47	47	1
49	49	1
50	50	1
51	51	1
52	52	5
53	53	5
54	54	5
55	55	4
56	56	30



Particulars of
subscriber

Date of signature
of subscriber

Full names:

NEIL ANDREW ARNOLD

Occupation:

MANAGING DIRECTOR

Residential address:

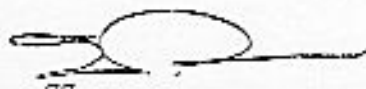
17 VALLEY VIEW BEACON BAY EAST LONDON

Business address:

61 OLD MAIN TRANSKEI ROAD,
EAST LONDON

Postal address:

61 OLD MAIN TRANSKEI ROAD,
EAST LONDON



30 AUGUST 1985



Witness

Date of signature of witness

Full names:

NICOLENE COETZER

Occupation:

TYPIST

Residential address:

15 HILRIANDA FLATS, ARCADIA STREET,
ARCADIA, PRETORIA

Business address:

110 BENSTRA BUILDING, CHURCH STREET,
ARCADIA, PRETORIA

Postal address:

P O BOX 1014,
PRETORIA, 0001



30 AUGUST 1985

