

# PERNA PERNA ST LUCIA SHARE BLOCK PROPRIETARY LIMITED

(Reg No. 1983/010802/06)

**NOTICE** is hereby given of a **General Meeting** of the Shareholders of **Perna Perna St Lucia Share Block Proprietary Limited** ("the Company") to pass **special and ordinary resolutions**, which meeting is to be held at Club Leisure Group on **22 November 2016 at 10H00**.

## AGENDA

### FOR THE GENERAL MEETING

1. Welcome
2. Notice convening the meeting
3. Present, apologies and acceptance of proxies
4. Establishment of a quorum for the passing of special and ordinary resolutions and/or any amendments thereto
5. To consider, and if deemed fit, to pass with or without amendment, Special Resolution 1
6. To consider, and if deemed fit, to pass with or without amendment, Special Resolution 2
7. To consider, and if deemed fit, to pass with or without amendment, Special Resolution 3
8. To consider, and if deemed fit, to pass with or without amendment, Ordinary Resolution

(the Special Resolutions with the explanation and effect are set out after the "History" and "Purpose of the Resolution")

**BY ORDER OF THE BOARD**

Per: JJ Jordaan

Registered Office  
C/o First Resorts and Hotel Management (Pty)Ltd  
1 Crompton Street, Pinetown, 3610  
**Tel: 031 717 7593**  
**E-Mail: estia@firstresorts.co.za**  
**Date: 31 October 2016**

1. A shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, speak and vote in his stead. A proxy need not be a shareholder of the Company.
2. Proxy forms, duly completed, should be returned so as to reach the registered office of the Company not less than **48 (forty-eight)** hours before the appointed time of the meeting.
3. The **special resolution** must be passed as a special resolution in accordance with the provisions of the Companies Act, 2008, by at least 75% of the votes exercised on the resolution.

# PERNA PERNA ST LUCIA SHARE BLOCK PROPRIETARY LIMITED

(Reg No. 1983/010802/06)

## EXPLANATION AND EFFECT OF THE SPECIAL AND ORDINARY RESOLUTIONS CONTAINED IN THE NOTICE OF THE GENERAL MEETING

- **History**

The complex was bought and converted to timeshare more than 20 years ago and has, primarily as a result of its location, been very popular with owners and guests visiting St Lucia. At the time of development, due to its location, Perna Perna, although small units, was given a relatively high exchange value within the RCI trading system. Unfortunately this led to a substantial number of owners acquiring weeks at Perna Perna, not for their own personal use, but purely for space banking purposes.

Being so popular, the whole region enticed and encouraged developers during the late nineties and early two thousands, to develop more resorts in town.

Two major issues contributed to the decrease in the popularity of this very well know village:

1. **The Ban on Beach driving**

Being very popular with fishermen and 4x4 owners, driving on the beach either to fish, or just having a picnic on the beach, was stopped even after fierce protest from owners, guests, property owners and business men. This obviously reduced the number of guests visiting the area as they started going to Mozambique, which is a mere 90 minutes further.

2. **The Drought and Water Shortage**

Due to poor management, the local municipality cannot guarantee the business properties in town a constant water supply. Although drastic measurements such as water tanks were implemented, the resorts still experienced water shortages. This contributed to many cancellations and reduced occupancy.

The occupancy at Perna Perna decreased gradually, to the point where in some months only 1% of Members occupy the resort. Your Board has over the years maintained and upgraded the resort to try to entice Members to visit the resort. These efforts, according to the occupancy figures, have not had the desired effect.

- **The Purpose of the Resolutions**

With the focus on ever-increasing levies, your Board is constantly assessing the situation and investigating innovative ideas to contain the increases. The resort is currently totally underutilized by Members and Club members alike. Members are no longer using their weeks as they did in the past

and the rental of these chalets has also become more difficult. At present, the total occupation in some months is as low as 31%.

Your Board, in conjunction with the Managing Agent, as a result of the declining occupancy and the steadily increasing levies, has investigated various options to utilize the resort more effectively. Your Board has evaluated and investigated all options and decided to present the option of selling the resort at the **Annual General Meeting held on 18 October 2016**. At the meeting, the majority of Members authorized the Board to obtain valuations and once satisfied, proceed to finalize the disposal of the resort.

A number of valuations have been obtained and the Board is satisfied that a fair asking price for the resort to be given to estate agent/s or auctioneers is the amount of ±R15,000,000 (fifteen million) less costs of marketing, commissions and vat.

The Members will vote on whether or not to proceed with the sale of the immovable property either by private treaty or public auction for an amount of R15,000,000 (fifteen million rand). The costs of the sale will be deducted from this amount.

On signature of the sale agreement in respect of the immovable property and the fulfilment of any suspensive conditions required to secure payment of the purchase price, as conveyed in writing by the appointed Conveyancer to the Managing Agent, the time share scheme will be deemed to be terminated.

The Managing Agent will notify Members in writing of the date on which Members will cease to have the right to the use and occupation of their week/s at the resort. This will be the effective date of the termination of the time share scheme.

All reservations made at the resort after the effective date will be immediately cancelled and the Member shall have no claim against the Company and Managing Agent in respect of the cancellation for compensation, damages or otherwise.

## **SPECIAL RESOLUTION 1**

### **Sale of Property**

To approve, in accordance with Section 8 (1)(c) of the Share Blocks Control Act No. 59 of 1980, the sale by private treaty/public auction of the immovable property owned by the Company, described as 125 Mckenzie St, St Lucia, and upon which a share block scheme is operated, for an amount of not less than R15,000,000. The costs of the sale will be deducted from this amount.

### **The effect of Special Resolution 1**

On the passing of Special Resolution 1, the Board of Directors will proceed to market the immovable property for sale with one or more reputable estate agents or by public auction for an amount of R15,000,000 .

The Member will still be a shareholder in the Company with the right of use and occupation in accordance with the Use Agreement and until termination of the time share scheme referred to in

Special Resolution 2, and thereafter, with a right to the distribution of the net assets as set out in Special Resolution 3.

## **SPECIAL RESOLUTION 2**

### **Termination of the time share scheme**

To approve the termination of the timeshare scheme in its entirety on:

1. Signature of the sale agreement in respect of the immovable property;
2. The fulfilment of any suspensive conditions required to secure payment of the purchase price, as conveyed in writing by the appointed Conveyancer to the Managing Agent, and
3. The date on which Members are notified by the Managing Agent in writing that the time share scheme is terminated.

Further, to approve that all reservations made at the resort after the effective date will be immediately cancelled and the Member shall have no claim against the Company and the Managing Agent in respect of the cancellation for compensation, damages or otherwise.

### **The effect of Special Resolution 2**

On the effective date of the termination of the timeshare scheme by notice in writing to Members from the Managing Agent, the Members will remain shareholders in the Company but will forfeit their right to occupy the week in which they have use and occupation rights by virtue of their shareholding and in accordance with the provisions of the Use Agreement.

All reservations made at the resort after the effective date will be immediately cancelled and the Member shall have no claim against the Company and Managing Agent in respect of the cancellation for compensation, damages or otherwise.

## **SPECIAL RESOLUTION 3**

### **Winding up and Distribution**

To approve, that after the Board of Directors has given effect to Special Resolutions 1 and 2, to dissolve the Company by voluntary winding up and distribute its net assets after payment of the debts and liabilities of the Company and the costs of winding up, as follows, in accordance with the Company's Memorandum of Incorporation:

- To repay the Members the amount paid up on the shares respectively held by the Members;
- To repay the Members all amounts paid in respect of the Company's loan obligation, providing that such refund shall be reduced by the amount that any Member is in arrears with any debt due to the Company as at the date of the winding up of the Company;
- The balance remaining shall be paid to Members in proportion to the number of shares held by each Member to the total issued share capital.

### **The effect of Special Resolution 3**

The Company will have no further business after the alienation of the immovable property other than to distribute the net assets on voluntary winding up in accordance with the provisions of the Company's Memorandum of Incorporation and Section 80 of the Companies Act No. 71 of 2008.

Special Resolution 3 sets out the dissolution and payment provisions as governed by the Memorandum of Incorporation.

The Company will cease to exist.

### **ORDINARY RESOLUTION**

That the Board of Directors is, and with the passing of Resolutions 1, 2 and 3, are authorised to take such action and to do all things as may be necessary to give effect to Special Resolutions 1, 2 and 3.

**PERNA PERNA ST LUCIA SHARE BLOCK LIMITED**

(Registration No.: 1983/010802/06)

**FORM OF PROXY**

A member entitled to attend and vote at the meeting is entitled to appoint a proxy of his own choice to attend, speak and vote in his stead. A proxy need not be a member of the company.

I/ We \_\_\_\_\_  
(Name in block capitals)

Unit No.: \_\_\_\_\_ Week No.: \_\_\_\_\_ being a shareholder/s of PERNA PERNA ST LUCIA SHARE BLOCK LIMITED and entitled to \_\_\_\_\_ vote(s) do hereby appoint:

\_\_\_\_\_ (ID: No: \_\_\_\_\_)

of \_\_\_\_\_ or failing him :

\_\_\_\_\_ (ID: No: \_\_\_\_\_)

of \_\_\_\_\_

failing him, the Chairman of the meeting, as my/our proxy to attend, and on a poll, vote on my/our behalf at the annual general meeting to be held on **22 NOVEMBER 2016**, or at any adjournment thereof, as follows:

(Indicate directions to proxy by way of a cross (X) in the space provided above.)  
Unless otherwise instructed, the proxy may vote as he thinks fit.

AGENDA ITEM		FOR	AGAINST	ABSTAIN
1.	<b>SPECIAL RESOLUTION 1: <u>Sale of Property</u></b> To approve, in accordance with Section 8 (1)(c) of the Share Blocks Control Act No. 59 of 1980, the sale by private treaty/public auction of the immovable property owned by the Company			
2.	<b>SPECIAL RESOLUTION 2: <u>Termination of the time share scheme</u></b> To approve the termination of the timeshare scheme in its entirety			
3.	<b>SPECIAL RESOLUTION 3: <u>Winding up and Distribution</u></b> To approve, that after the Board of Directors has given effect to Special Resolutions 1 and 2, to dissolve the Company by voluntary winding up and distribute its net assets after payment of the debts and liabilities of the Company and the costs of winding up, as follows, in accordance with the Company's Memorandum of Incorporation			
4.	<b>ORDINARY RESOLUTION:</b> That the Board of Directors is, and with the passing of Resolutions 1, 2 and 3, are authorised to take such action and to do all things as may be necessary to give effect to Special Resolutions 1, 2 and 3.			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016.

\_\_\_\_\_  
Signature

**DOMICILIUM**

PERNA PERNA ST LUCIA SHARE BLOCK LIMITED  
c/o FIRST RESORTS AND HOTEL MANAGEMENT (PTY) LTD  
1 CROMPTON STREET  
PINETOWN  
3610

**POSTAL ADDRESS**

P.O.BOX 1287  
PINETOWN  
3600  
Fax: 031 701 9964/ 086 2956099  
email: [estia@firstresorts.co.za](mailto:estia@firstresorts.co.za)

**Note 1:** *This proxy must be delivered or faxed to the Secretaries of the company not less than **FORTY EIGHT HOURS** before the time appointed for the meeting.*

**Note 2:** *A Member entitled to attend and vote is entitled to appoint a proxy to attend, speak and vote in his stead, and such proxy need not also be a Member of the Company.*

**Note 3:** *This Proxy shall be binding upon the Member until such time as the Member personally withdraws it and it is limited to the voting on the special and ordinary resolutions referred to herein. Unless otherwise instructed, the proxy will vote as he thinks fit. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, speak and vote in his stead.*

*Any alteration or correction made to this form of proxy (excluding the deletion of alternatives) must be initialled by the signatory. Documentary evidence establishing the authority of a Person signing this form of proxy in a representative capacity (i.e. on behalf of a Company, Close Corporation or Trust) must be attached to this form.*

*The completion and lodging of this form of proxy will not preclude the relevant Member from attending the meeting and speaking and voting in Person thereat, to the exclusion of any proxy appointed in terms thereof, should such Member wish to do so.*

*Emailed and facsimile copies of this proxy form must be duly verified before the commencement of the meeting to be eligible for acceptance. If any one of the requirements contained herein is not fulfilled, the proxy form and/or the nomination of the proxy will be null and void.*

*Proxy holders must present reasonably satisfactory identification before attending and participating in the meeting.*