

REPUBLIC OF SOUTH AFRICA

COMPANIES ACT, 2008

**MEMORANDUM OF INCORPORATION**

**Name of Company: SEATIDE SHARE BLOCK COMPANY LIMITED**

**Registration Number: 1989/004321/06**

("the Company")

**Incorporation**

- (1) The Company is incorporated as a Share Block Profit Company, as defined in the Companies Act, 2008.
- (2) The Company is incorporated in accordance with, and governed by-
  - (a) The unalterable provisions of the Companies Act, 2008 that are applicable to Profit companies;
  - (b) The alterable provisions of the Companies Act, 2008 that are applicable to Profit companies, subject to any limitation, extension, variation or substitution set out in this Memorandum; and
  - (c) The provisions of this Memorandum of Incorporation.

**NOTE 1**

This Memorandum of Incorporation contains statutory provisions of the Share Blocks Act in **Annexure 1** that shall apply to the Company.

**NOTE 2**

The Memorandum of Incorporation contained in Form CoR 15.1 B of the Companies Regulations, 2011 shall not apply to the Company.

This MOI was adopted in accordance with a proposal by the Board issued on ..... 20..... and adopted by a special resolution taken by the voting Members at a general meeting of the Company held on ..... 20.....

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### ANNEXURE A – SCHEDULE OF BUILDINGS

### ANNEXURE 1 – SHARE BLOCKS ACT STATUTORY PROVISIONS

### ANNEXURE 2 – SHARE REGISTER

### ANNEXURE 3 – CALENDAR

### ANNEXURE 4 – USE AGREEMENT

## 1. INTERPRETATION

In the interpretation of this MOI and unless contrary to or excluded by the subject or context:

1.1 any word herein signifying:

1.1.1 the singular shall include the plural and vice versa;

1.1.2 the masculine shall include the feminine and the neuter;

1.2 any word herein which is defined in the Act and is not defined in article 1.6 shall bear that statutory meaning in this MOI;

1.3 any word, phrase or sentence herein which is not defined in the Act or in article 1.6 shall bear its usual meaning;

1.4 each term, power or authority herein shall be given the widest possible interpretation;

1.5 phrases as defined in the Share Blocks Act shall have the meanings so assigned and words importing Persons shall include those legal entities defined in article 1.6.15;

1.6 each of the following words and expression herein shall have the meaning stated opposite it and, where applicable, shall include the word or expression stated opposite it:

1.6.1 "Act" shall mean the Companies Act, 71 of 2008, as amended from time to time;

1.6.2 "Board" shall mean the Board of Directors for the time being of the Company elected in terms of article 17;

1.6.3 "Company" shall mean this Company;

- 1.6.4 "Buildings" means the buildings erected on the immovable property described below and known as "ST IVES":  
As per attached Schedule "A"
- 1.6.5 "Chairman" shall mean the Chairman of the Board for the time being of the Company elected in terms of article 17.13;
- 1.6.6 "Director" shall mean a director for the time being of the Company elected in terms of article 17;
- 1.6.7 "Electronic Communication" shall bear the same meaning as set out in section 1 of the Electronic Communication and Transaction Act, 25 of 2002;
- 1.6.8 "General Meeting" shall mean any general meeting of the Company or any adjournment thereof, including an annual general meeting convened in terms of article 10.1 as the case be;
- 1.6.9 "Income Tax Act" shall mean the Income Tax Act, 58 of 1962, as amended from time to time;
- 1.6.10 "Member" shall mean the holder of Shares being Members of the Company referred to in article 6.11;
- 1.6.11 "MOI" shall mean the Memorandum of Incorporation of the Company as contained in this document, as duly amended from time to time;
- 1.6.12 "Month" means a calendar month;
- 1.6.13 "Office" shall mean the registered office for the time

being of the Company;

1.6.14 "Period"

means the numerical Saturday on which a share block holder's period of occupation begins in respect of the relevant portion of the Company's buildings, commencing at 14h00 on the Saturday specified and terminating at 10h00 hours on the following Saturday, all such periods being reflected on **Annexure 3** hereto and the calendar of all periods attaching to all share blocks in the capital of the Company as compiled by the Directors annually in advance, with the following provisos, namely:

- (i) Period number 1 shall mean the week starting on the first Saturday of the calendar year and all further periods shall follow consecutively.
- (ii) The time between each period of use shall be a service period during which the Company shall have occupation of the said portions of the Company's building and property for the purpose of cleaning the same for subsequent occupation unless the relevant share block holder is entitled to two or more periods of use in which event there shall be no intervening service period between each such period of use.
- (iii) The Member holding period number 52 shall be entitled in any year in which there is a 53rd Saturday to an additional period of seven days commencing from such 53rd Friday at the time aforesaid and terminating at the aforesaid time, on the

same terms and conditions as those applicable to any other period.

- 1.6.15 "Person" shall include any natural person, company or body corporate, a statutory body, a partnership or an association of persons, as the case may be, having the legal capacity required in terms of the laws of the Republic;
- 1.6.16 "Republic" shall mean the Republic of South Africa;
- 1.6.17 "Share" shall mean that set out in Section 1 of the Share Blocks Act and relates to the share block granting a right of use to the holder thereof;
- 1.6.18 "Share Blocks Act" shall mean the Share Blocks Control Act No.59 of 1980, as amended, and the regulations promulgated from time to time in regard thereto;
- 1.6.19 "Share Block Developer" is as defined in Section 1 of the Share Blocks Act and its successor in title and assigns;
- 1.6.20 "Sign" shall include the reproduction of signature lithography, printing with an india-rubber stamp or any other electronic communication process partly the one and partly the other process and "signature" has the corresponding meaning;
- 1.6.21 "the Statutes" means the Companies Act, the Share Block Act and the Timesharing Act, as may be applicable, and every other Act for the time being in force concerning companies and affecting the Company;

- 1.6.22 "Timesharing Act" shall mean the Property Timesharing Control Act No. 75 of 1983, as amended, and the regulations promulgated from time to time in regard thereto;
- 1.6.23 "Use Agreement" shall mean any agreement conferring a right to, or an interest in, the use of immovable property in respect of which a share block scheme is operated, and is **Annexure 4** attached hereto;
- 1.6.24 "Writing" shall include printing, typewriting, lithography or any other electronic communication process, or partly one and partly the other;
- 1.6.25 "Year" means a calendar year.

## **2. PURPOSE AND OBJECTS OF THE COMPANY**

- 2.1 The main purpose and object of the Company is to operate a share block scheme in respect of the Buildings in accordance with the Share Blocks Act and the Timesharing Act entitling a Member to use specified parts of the Buildings in accordance with the Use Agreement entered into between the Member and the Company.

## **3. POWERS AND CAPACITY OF THE COMPANY**

- 3.1 The Company has the powers and capacity of a Person.
- 3.2 Notwithstanding the omission from this MOI of any provision to that effect, the Company may do anything which the Act, the Share Blocks Act and the Timesharing Act empowers a Company to do.
- 3.3 The Company is restricted in its powers and capacity in terms of the provisions of the Share Blocks Act and other provisions for the control of the business of the Company, and these are recorded in **Annexure 1** hereto.



#### **4. CONDITIONS**

- 4.1 The Company shall ensure that the whole of its activities are directed to the furtherance of its main and stated objects.
- 4.2 The Company shall utilise its assets and income to advance its stated objects for which it has been established.

#### **5. MEMORANDUM OF INCORPORATION AND COMPANY RULES**

- 5.1 Save for correcting patent errors in spelling, punctuation, reference, grammar or similar defects, which the Board is empowered to do in terms of Section 17(1) of the Act, all other amendments of the MOI shall be effected in accordance with Section 16(1) of the Act.
- 5.2 This MOI does not restrict, limit or qualify the power of the Board to make, amend or repeal any necessary or incidental rules relating to the governance of the Company in respect of matters that are not addressed in the Act or this MOI, in accordance with the provisions of sections 15(3) to 15(5) of the Act.
- 5.3 If the Board makes any rules, it must file and publish a copy of those rules in the manner prescribed in the Act.
- 5.4 If the Board alters the MOI or any rules made by it, in terms of Section 17(1) of this Act, it must publish a notice of such alteration in the manner prescribed by the Act.

#### **6. SHARE CAPITAL**

- 6.1 The authorized and issued share capital of the Company is R3869 (Three Thousand Eight Hundred and Sixty Nine Rand) divided into:-
  - 1380 (One Thousand Three Hundred and Eighty) Class 'A'
  - 1701 (One Thousand Seven Hundred and One) Class 'B'
  - 808 (Eight Hundred and Eight) Class 'C'

issued ordinary par value Shares of R1.00 (One Rand) each of which 1380 (One Thousand Three Hundred and Eighty) Class 'A', 1701 (One Thousand Seven Hundred and One) Class 'B' and 808 (Eight Hundred and Eight) Class 'C' Shares are apportioned among 364 (Three Hundred and Sixty Four) share blocks in accordance with **Annexure 2** hereto.

6.2 The Shares comprising each share block:

6.2.1 Shall confer on the holder thereof from time to time the right to use and occupy that portion of the Company's Buildings and property as specified in **Annexure 3** and in the Use Agreement entered into between the Company and such holder, **Annexure 4** hereto, for the period specified in **Annexure 3** and subject to the terms and conditions of **Annexure 4**;

6.2.2 Oblige the holder thereof from time to time to lend to the Company as a fixed loan, on the terms and conditions set out in the Use Agreement, the amount specified in **Annexure 2**.

6.3 Upon acquisition of Shares, the Member acquired the right to, and usage interest as referred to in the Use Agreement.

6.4 None of the Shares in the capital of the Company which are not apportioned among the share blocks referred to in sub-article 6.1 above may be issued otherwise than on the authority of a special resolution of the Members of the Company and subject to the proviso that if they are so issued, such Shares shall be apportioned among the share blocks, and the Shares comprising each such share block shall confer on the holder the rights referred to in sub-article 6.2.1 above, subject to the terms and conditions set out in and referred to in that sub-article.

6.5 All Shares of the Company shall:

6.5.1 Confer a right to vote at any meeting of the Company;

6.5.2 Confer the same vote as every other Share in the Company;

- 6.5.3 Confer a right to an interest in the use of the Buildings in accordance with the provisions of the **Annexures 3 and 4** hereto.
- 6.6 Save as is otherwise hereinafter provided for and subject to the provisions of the Share Blocks Act and without prejudice to any special rights previously conferred on the holder of existing Shares in the Company, any Share may be issued with such special rights or subject to such restriction as the Company may from time to time determine.
- 6.7 If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class but always subject to the conditions of article 6.4 above) may be varied with the consent in writing of the holder of three-fourths 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 the class, and the provisions of Section 65 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 this MOI relating to General Meetings shall *mutatis mutandis* apply save that the necessary **quorum shall be two (2) Persons representing at least thirty three and one third percent (33.3%) of the voting rights** that are entitled to be exercised by Members present in person or by proxy of all the issued Shares of the class. This article does not curtail the power of the Company to vary the rights attached to any Share which has not been issued, subject to the provisions of article 6.4 above being adhered to.
- 6.8 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.
- 6.9 New Shares shall be subject to the same provisions as to transfer, transmission and otherwise as the Shares in the original share capital.

- 6.10 The Company may by special resolution:
- 6.10.1 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;
  - 6.10.2 increase the number of its issued no par value Shares of smaller amount than is fixed by this MOI;
  - 6.10.3 sub-divide its existing Shares or any of them into Shares of smaller amount than is fixed by this MOI;
  - 6.10.4 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;
  - 6.10.5 reduce its share capital, stated capital, any capital redemption fund or any share premium account in any manner and with, and subject to, any incident authorized and consent required by law;
  - 6.10.6 convert any of its Shares whether issued or not into Shares of another class.
- 6.11 The Company shall maintain at its registered office a Share register of the Members of the Company and the registration, transfer, issue and certification of Shares shall be in accordance with the provisions of Sections 50 and 51 of the Act.
- 6.12 Every Person whose name is entered in the Share register shall be entitled to one certified copy of a certificate for all the Shares attached to the share block/s and use rights registered in his name or to several certified certificates in respect of each of the share blocks. Every original Member shall be entitled to one certified copy of a Share certificate free of charge but for every subsequent certificate the Directors may make such charge as from time to time they may think fit; provided that if a Share certificate is defaced, lost or destroyed, it may be renewed on the payment of such fee, and on such terms, if any, as to the evidence and indemnity as the Directors may think fit.

- 6.13 Share certificates shall be issued under the authority of the Directors and as prescribed by the Act.

## **7. LIEN ON SHARES**

- 7.1 The Company has a first and paramount lien and a pledge on every Share for the amounts due to it by the holder of such Share whether payment has become due or not. The amounts so due to the Company shall include the costs of any acts performed or proceedings instituted by the Company in its efforts to recover such amounts.
- 7.2 The Company shall not be obliged to recognise the pledge by a Member of any Share in the Company to a third party but as soon as an amount becomes due and payable by a Member to the Company, all Shares held by such Member shall from that moment become pledged by such Member to the Company.
- 7.3 In the event of such Member holding the original Share certificate, then in such event, the Member shall hold the certificate relating to the pledged Share as agent for the Company. A Share shall remain so pledged until the amount due has been settled or the Share has been realised as provided in article 7.5.
- 7.4 Notwithstanding anything to the contrary contained in this MOI the Company shall, upon the issue or replacement of a Share certificate to a Member, retain possession of the Member's original Share certificate/s and shall hold the same in pledge as security for all and any amounts which may be or become owing by the Member to the Company.
- 7.5 The Company shall be entitled to realise any Share on which it has a lien in terms of article 7.1 and any Share becoming pledged to it in terms of article 7.2 and or article 7.3 and/or article 7.4 by realising such Share in the following manner:

- 7.5.1 the holder of the Share shall be given 15 business days notice in writing in accordance with article 22;
- 7.5.2 the notice shall state the amount of the claim, demand payment thereof within the said period of notice and advise the Member that if the amount due remains unpaid the Share shall be sold to recover so much of the debts as may be realised by the sale;
- 7.5.3 the sale shall be by way of a tender process or in such other duly publicised manner as in the *bona fide* opinion of Directors would realise a more favourable price in the circumstances.
- 7.6 The net return of any such sale shall be applied in respect of the amount due to the Company and the Member shall remain liable for any shortfall. In the event of an over recovery the credit balance, if any, shall be paid to the Member upon demand.
- 7.7 On any sale as aforementioned the Directors may enter the name of the purchaser in the Share register of the Company.
- 7.8 Except as herein further provided, an affidavit by a Director or the secretary of the Company that the Share has been duly sold in accordance with the provisions of the preceding sub-article shall be conclusive evidence of the facts therein stated as against all Persons laying claim to such Shares or the proceeds thereof, and such affidavit and the receipt by the Company of the purchase price of Shares shall be conclusive proof of the rights to such Shares.

## **8. TRANSFER AND TRANSMISSION OF SHARES**

- 8.1 No Share in the capital of the Company shall be capable of being held independently from all the other Shares contained in the same share block, and 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:

- 8.1.1 the relevant portion of the loan obligation allocated to the share block in question, and
  - 8.1.2 the Use Agreement pertaining to the share block in question and the assumption by the transferee of all the transferor's obligations thereunder.
- 8.2 Save as otherwise provided in this MOI or in the terms of the issue of any class of Shares:
- 8.2.1 Prior to the transfer of Shares to any transferee, the levies and any other amounts due and payable to the Company by the Member must be settled in full, unless otherwise resolved by the Directors.
  - 8.2.2 Save for the transfer of 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 Shares may be transferred without the prior written consent and approval of the Directors of the Company, which consent shall not be unreasonably withheld.
  - 8.2.3 Notwithstanding anything to the contrary in this sub-article, no consent by the Directors shall be necessary for the transfer of any Shares held by the Share Block Developer.

## **9. MEMBERSHIP LEVIES**

It is recorded that substantially the whole of the Company's funding shall be derived from Member levies contribution in accordance with the provisions of Section 13 of the Share Blocks Act and the Use Agreement, the levies being currently exempt from taxation in terms of Section 10(1)(e) of the Income Tax Act.

## **10. GENERAL MEETINGS**

- 10.1 The Company shall in each year hold an annual General Meeting; provided that:

- 10.1.1 not more than 15 (fifteen) months shall elapse between the date of one annual General Meeting and that of the next; and
- 10.1.2 not more than 9 (nine) months shall elapse between the end of the Company's financial year and the date of the annual General Meeting.
  
- 10.2 The Directors shall have the power to convene other General Meetings of the Company at such time and place as the Directors determine.
  
- 10.3 The Directors shall also convene other General Meetings where a requisition is made by the number of Members of the Company as required by the Act, failing which such a meeting may be convened by the requisitionists themselves in accordance with the Act.
  
- 10.4 General Meetings convened in accordance with Sections 61 and 64 of the Act shall be held at such time and at such place as is determined in terms of those sections.

## **11. NOTICE OF GENERAL MEETINGS**

- 11.1 Subject to the provisions of the Act:
  - 11.1.1 not less than 15 business days notice in Writing shall be given to all Members;
  
- 11.2 The notice period as provided for in article 11.1 shall be exclusive of the day on which the notice is served or deemed to be served and inclusive of the date of the meeting.
  
- 11.3 The notice of a General Meeting shall state-
  - 11.3.1 the place, day and hour of that meeting; and
  - 11.3.2 the matters which will be considered, and may be voted on, at such meeting.



- 11.4 A meeting of the Company shall, notwithstanding the fact that it is called by shorter notice than that specified in this article, be deemed to have been duly called if it is so agreed by all of the Members present having a right to attend and vote at the meeting.
- 11.5 The inadvertent omission to give notice of a meeting to, or the non-receipt of a notice of a meeting by any Person entitled to receive such notice, shall not invalidate the proceedings at that meeting.
- 11.6 As may be appropriate at the discretion of the Directors, and available, the Company may provide for participation by Members by electronic communication.

## **12. PROCEEDINGS AT GENERAL MEETINGS**

- 12.1 Members must present reasonably satisfactory identification before attending and participating in the meeting.
- 12.2 The annual General Meeting shall deal with and dispose of all matters prescribed by the Act, including the presentation of the Directors' report, annual audited financial statements, the audit committee report, the social and ethics committee report, if applicable, the election of Directors, the appointment of an auditor and the election of an audit committee, and may deal with any other business laid before it.
- 12.3 Subject to the provisions of the Act, 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, subject to the provisions of Section 64 (3) of the Act, **a quorum at any General Meeting shall be no less than 3 (three) Persons representing at least 1% (one percent) of the share capital**, and who are entitled to vote and who are present in person or by proxy at the commencement and throughout the meeting.

- 12.4 If within half-an-hour after 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 date 7 (seven) business days later and if at such adjourned meeting a quorum is not present within half-an-hour after the time appointed for the meeting, the Members present in person and by proxy shall be a quorum.
- 12.5 The Chairman shall preside as Chairman at every General Meeting of the Company.
- 12.6 If at a General Meeting there is no Chairman or the Chairman is not willing to act or is not present within 15 (fifteen) minutes after the time appointed for holding the meeting, 1 (one) of the Directors present shall be Chairman of the meeting.
- 12.7 Subject to the provisions of the Act, the Chairman of the meeting may, with the consent of the majority of Members present at any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting at which the adjournment took place.

### **13.VOTES OF MEMBERS AT GENERAL MEETINGS**

- 13.1 Every Member who is represented either in person or by proxy at a General Meeting shall have 1 (one) vote per Share held by such Member.
- 13.2 At a General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands, in which case the Members or their proxy shall have one vote for all Shares held, and in the event of a poll the Member or his proxy shall have one vote for every Share held.  
A poll may be called or demanded (before or after the declaration of the result of the show of hands) by:

- 13.2.1 the Chairman of the meeting; or
  - 13.2.2 by at least 5 (five) Members present in person or by proxy having the right to vote at meetings; or
  - 13.2.3 by any Member or Members present in person or by proxy having the right to vote at the meeting and representing not less than 10% (ten percent) of the total voting rights of all Members having the right to vote at the meeting.
- 13.3 Any demand for a poll may be withdrawn.
- 13.4 The poll shall be taken in such a manner as the Chairman of the meeting directs and the results of the poll shall be deemed to be the result of the meeting.
- 13.5 Where a poll is not demanded a declaration by the Chairman of the meeting that a resolution has been passed as well as the making of an entry to that effect in the book containing the minutes of the proceedings of General Meetings, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution, that the resolution was so passed.
- 13.6 In the case of an equality of votes, the Chairman of the meeting shall not have a second casting vote unless the Members otherwise determine in the General Meeting.
- 13.7 For an ordinary resolution to be adopted at a Members meeting, it must be supported by more than 50% of the Members who voted on the resolution, as provided in Section 65 (7) of the Act.
- 13.8 For a special resolution to be adopted at a Members meeting, it must be supported by at least 75% of the Members who voted on the resolution, as provided in Section 65 (9) of the Act.
- 13.9 A special resolution adopted at a Members meeting is required in addition for;

- 13.9.1 Issue of Shares.
- 13.9.2 Variation of rights attached to the Shares when the share capital is divided into different classes.
- 13.9.3 Alienation of the Company's immovable property.
- 13.9.4 Alteration of the share capital.
- 13.9.5 As may be required in terms of the Act, the Share Blocks Act, the Timesharing Act and this MOI.
- 13.9.6 The dissolution or winding up of the Company.

- 13.10 In the case of joint holders, the vote of the Person whose name appears first in the register of Members and tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

#### **14. RESOLUTION PASSED BY SIGNATURE OF ALL MEMBERS**

- 14.1 Subject to the provisions of Section 65 (7) of the Act, an ordinary resolution in Writing signed by the majority of Members of the Company entitled to attend and vote at a General Meeting shall be as valid and effective as if it had been passed at a General Meeting properly held on the date on which the last signature is affixed.
- 14.2 Such resolution may consist of several documents in the same form, each of which is signed in terms of this article, by sufficient Members to constitute a quorum and shall be deemed (unless a statement to the contrary is made on that resolution) to have been passed on the closing date stated in the notice which shall be no less than 20 (twenty) business days after the posting date.

#### **15. RECORDS OF GENERAL MEETINGS**

- 15.1 The Directors shall cause a record to be made of the proceedings at every General Meeting, including all resolutions passed at such meetings and shall cause such record and all resolutions passed to be inserted in a book provided for that purpose, or in electronic format.

- 15.2 Any copy of any record or resolution referred to in article 15.1, which purports to be signed by any Director or the Chairman, shall be *prima facie* evidence of the matters stated herein.

## **16. PROXIES**

- 16.1 A Member may appoint a proxy to attend a General Meeting on the Members behalf.
- 16.2 The instrument appointing a proxy shall be in Writing and signed by the appointer or by his agent duly authorised in writing or, if the appointer is a Person other than a natural Person, accompanied by a resolution of its Directors or other governing body authorising the Person named in the proxy to act as its representative at any meeting of the Company.
- 16.3 The holder of a general or special power of attorney, whether he is himself a Member or not, given by a Member, shall be entitled to attend meetings and to vote, if duly authorised under the power to attend and take part in the meeting.
- 16.4 The instrument appointing a proxy to vote at a meeting of the Company shall be deemed also to confer authority to demand or join in demanding a poll, and for the purpose of Section 63 (7) of the Act, a demand by a proxy shall be the same as a demand by a Member.
- 16.5 The instrument appointing a proxy and the power of attorney or the other authority, if any, under which it is signed, shall be deposited at the Office not less than 48 (forty-eight) hours before the time for holding the meeting at which the Person named in the instrument proposes to vote and in default of complying herewith, the instrument of proxy shall not be treated as valid.
- 16.6 No instrument appointing a proxy shall be valid after the expiration of 12 (twelve) 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.

16.7 The instrument shall be in the following format:

**"SEATIDE SHARE BLOCK COMPANY LIMITED"**

I/We \_\_\_\_\_ of \_\_\_\_\_  
 being a Member of SEATIDE SHARE BLOCK COMPANY LIMITED, holding  
 \_\_\_\_\_ number of Shares, representing  
 \_\_\_\_\_ votes, hereby appoint \_\_\_\_\_ of  
 \_\_\_\_\_ or failing him, \_\_\_\_\_  
 of, \_\_\_\_\_ or failing him the Chairman of the Meeting as my  
 proxy to vote for me and on my behalf at the Annual General Meeting (as the case may be)  
 of the Company to be held on the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_ and at any  
 adjournment thereof as follows:

|                     | In favour<br>of | Against | Abstain |
|---------------------|-----------------|---------|---------|
| Resolution to _____ |                 |         |         |
| Resolution to _____ |                 |         |         |
| Resolution to _____ |                 |         |         |

(If columns 1, 2 or 3 are not completed, then my proxy may vote or abstain from voting as he deems fit)

\* (Indicate instruction to proxy by way of a cross in space provided above).

**SIGNED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 20\_\_.**

\_\_\_\_\_  
**SIGNATURE**

**Note 1:** 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 2:** 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. The proxy nominated need not be a Member of the Company.

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.



## 17. ELECTION OF DIRECTORS

- 17.1 Not less than three (3) Directors shall be appointed and at each annual General Meeting one half (1/2) of the Directors shall retire from office.
- 17.2 Nominations for Directors must be submitted to the Company's Office not less than forty eight (48) hours before the meeting provided that nominations may be made at the meeting if approved by a majority attending the meeting and with the consent of the nominee/s.
- 17.3 The Directors to retire every year shall be those who have been longest in office since their last election, but as between Persons who become Directors in the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot. A retiring Director shall be eligible for nomination and re-election.
- 17.4 In the event of there being an uneven number of Directors on the Board, the Directors shall determine which Directors in longest office since their last election shall retire.
- 17.5 The Members of the Company other than the Share Block Developer shall, if they:
- 17.5.1 do not exceed ten (10) in number, have the right to appoint at least one of the Directors of the Company; and
  - 17.5.2 exceed ten (10) in number, have the right to appoint at least two (2) of the Directors of the Company.
- 17.6 The Company shall not fail to take steps to ensure the appointment of the Director or Directors referred to in article 17.5, and, notwithstanding anything to the contrary contained in any law, a Share Block Developer shall not be entitled to vote on a proposed resolution to remove, under the provision of article 18.1.8, any Directors so appointed.

- 17.7 In the event of any Person howsoever being entitled to appoint the majority of the Directors of the Company, that Person or his representative shall guarantee compliance with any obligation of the Company specified in this MOI.
- 17.8 The Share Block Developer shall, subject to the provisions of article 17.5 above, have the right to appoint the majority number of Directors of the Company for so long as he is the holder of any of the Company's issued Shares and for so long as he is guarantor of the Company's bond obligations.
- 17.9 Subject to the provisions of Section 66 (2)(b), the Company may from time to time in a General Meeting increase or reduce the number of Directors.
- 17.10 Provided that the Board of Directors shall comprise not less than three (3) Directors, any casual vacancy occurring on the Board of Directors may be filled by the Directors, but the Director so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose stead he is appointed was last elected as Director.
- 17.11 The appointment of 2 (two) or more Persons as Directors of the Company by a single resolution shall not be moved unless a resolution that it shall be so moved has first been agreed to by the meeting without any vote against it.
- 17.12 In the event that the resolution referred to in article 17.11 is not moved each person nominated as a Director shall be voted in individually.
- 17.13 The Directors may elect a Chairman of their meeting 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 ten (10) minutes after the time appointed for holding the same, the Directors may elect one of the other Directors to be Chairman of the meeting.

17.14 Each Director shall have the power to nominate with the approval of the Board, any Person whether he is a Member or not, to act as alternate Director in his place during his absence or inability to act as such Director, and on such appointment being made, the alternate Director shall, in all respects, be subject to the terms, qualifications and conditions existing with reference to the other Directors of the Company. A Director whilst also acting as a alternate Director, shall at any meeting of the Directors be entitled to two (2) votes.

17.15 The alternate Directors, whilst acting in the stead of the Directors who appointed them, shall exercise and discharge all the powers, duties and functions of the Directors they represent. The appointment of an alternate Director shall be revoked, and the alternate Director shall cease to hold office, whenever the Director who appointed him ceases to be a Director or gives notice to the secretary of the Company that the alternate Director representing him has ceased to do so.

## **18. DISQUALIFICATION AND REMOVAL OF DIRECTORS AND ALTERNATE DIRECTORS**

18.1 In addition to the provisions of Section 69 of the Act any Director or alternate Director shall cease to be a Director of the Company on the happening of any of the following events:

18.1.1 his estate is finally sequestrated;

18.1.2 he files a petition for the surrender of his estate as insolvent;

18.1.3 he is placed under curatorship by any court of competent jurisdiction;

18.1.4 he delivers a notice of his resignation at the Office with effect from:

18.1.4.1 the date on which that notice is delivered; or

18.1.4.2 any later date stated in that notice to which the Directors agree;

18.1.5 if he fails to attend meetings of Directors, without prior apology and/or without good cause for 6 (six) consecutive Months without appointing an alternate to represent him;

18.1.6 if he is directly or indirectly interested in any contract or proposed contract with the Company and fails to declare his interest and the nature thereof in the manner required by the Act;

18.1.7 passes, publishes or causes to be published any information to the press or media, directly or indirectly, which information is confidential or which information will bring the reputation of the Company in disrepute and/or intends to be detrimental to the Company in any way;

18.1.8 if, the Director is removed by an ordinary resolution in a General Meeting of Members in accordance with Section 71 of the Act.

18.2 Neither a Director nor an alternate Director shall be disqualified from acting as such if he is not a Member of the Company.

## **19. POWERS AND DUTIES OF DIRECTORS**

19.1 The business of the Company shall be managed by the Directors who may pay all expenses of the Company, and may exercise all such powers of the Company as are required by the Share Blocks Act, or by this MOI, to be exercised by the Company in a General Meeting.

19.2 A Director may himself act, or any firm of which he is a Member be appointed by the Board to act, in a professional capacity (other than as auditor) for the Company, or any other Company in which the Company is interested, and he or his firm shall be entitled to reasonable remuneration for those professional services.

19.3 A Director may be employed by or hold any office of profit under the Company or under any subsidiary or holding Company in conjunction with the office of Director, other than that of auditor of the Company or of any subsidiary Company, and any remuneration paid to him shall be in addition to any Director's fees paid by the Company.

- 19.4 The Directors may exercise the voting powers conferred by the Shares held by the Company in any other Company or exercisable by them as Directors of that other Company in any manner they deem fit, notwithstanding any financial interest which they may have in the exercise of those voting powers.
- 19.5 A Director, including a Person who is to become a Director, shall not be disqualified by his office from entering into contracts, arrangements or dealings with the Company, nor shall any contract, arrangement or dealing with the Company be voided, nor shall a Director be liable to account to the Company for any profit arising out of any contract, arrangement or dealing with the Company by reason of such Director being a party to or interested in or deriving profit from any such contract, arrangement or dealing and being at the same time a Director of the Company or by reason of the fiduciary relationship thereby established, but the nature of his interest shall be declared by him in accordance with the provisions of the Act.
- 19.6 A Director shall not be deemed to be interested in any contract or arrangement merely because his alternate or a Director for whom he is an alternate is so interested.
- 19.7 A Director shall not be disqualified by his office from holding any financial interest or office in any other Company or business which has similar interests to those of the Company or any of its subsidiaries or which is engaged in a business of a similar nature to the business carried on by the Company or by any of its subsidiaries.
- 19.8 In terms of the Act, the Directors will be paid reasonable reimbursement for expenses incurred in advancing the objects of the Company and may receive Directors remuneration as determined in a General Meeting of shareholders by special resolution.
- 19.9 The Directors may subject to the provisions of the Statutes, from time to time, in their discretion, raise or borrow from the Members or other Persons any sum or sums of money for the purposes of the Company, provided that the

amounts in the aggregate so raised or borrowed from time to time shall not exceed such amount as may be determined by the Company in a General Meeting from time to time.

19.10 The Directors may raise or secure the repayment of such monies in such manner and upon such terms and conditions in all respects as they think fit.

## **20. PROCEEDINGS OF DIRECTORS**

20.1 At the commencement of each year, the Directors shall determine the number of Directors' meetings to be held in that year.

20.2 Any Director is at all times entitled to convene a meeting of the Directors by giving ten (10) business days notice to all Directors, or such shorter notice as may be agreed to by all the Directors.

20.3 The quorum necessary for the transaction of any business of Directors:

20.3.1 shall not be less than two (2) Directors, if there are three (3) Directors in office and three (3) Directors if there are more than three (3) Directors in office.

20.3.2 If any Director has or any Directors have been appointed in terms of the provisions of article 17.5, the number of Directors required for a quorum at any meeting of the Directors of the Company, shall include that Director or at least one of those Directors, as the case may be.

20.4 The Directors may participate in a meeting of the Directors by means of conference telephone or similar equipment by means of which all Persons participating in the meeting can hear each other at the same time and any such participation in a meeting shall constitute presence in Person at the meeting.

20.5 All resolutions and actions of the Directors shall be by way of a majority of votes. In the event of an equality of votes, the Chairman shall not have a

second or casting vote and the resolution shall be deemed not to have been passed.

- 20.6 Subject to the provisions of Section 75(5) of the Act, a Director may not vote in respect of any contract or proposed contract with the Company in which he is interested, or any matter arising there from.
- 20.7 Subject to the provisions of the Act, a resolution in Writing signed by a majority of Directors, shall be as valid and effective as if it had been passed at a meeting of the Directors duly called and constituted. Any such resolution may consist of several documents in a like form, each signed by one or more of the signatories to the resolution. A resolution of Directors passed in terms of this article shall be placed in the minute book of the Company and shall be noted at the next succeeding meeting of Directors and shall be signed by the Chairman of that meeting, whereupon the provisions of Section 73(8) of the Act shall be deemed to apply to the resolution.
- 20.8 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 Person acting as aforesaid or that they are or any of them were disqualified, be as valid as if every such Person had been duly appointed and were qualified to be a Director.
- 20.9 If within half an hour after the time appointed for a meeting, a quorum of Directors is not present, then the meeting shall stand adjourned to a day not earlier than five (5) working days, and not later than ten (10) working days after the date of the meeting, as may be decided, and if at such adjourned meeting a quorum is not present within half an hour after the time appointed for the meeting, the Directors present shall form a quorum.

## 21. RECORDS OF DIRECTORS' MEETINGS

- 21.1 The Directors shall cause minutes to be made of all appointments of officers made by the Directors, the names of the Directors present at each general meeting of the Directors and all resolutions passed by the Directors at all meetings of the Directors.
- 21.2 Minutes of any resolution and proceedings mentioned in article 20.7 appearing in one of the minute books of the Company shall be proof of the facts therein stated if signed by-
- 21.2.1 the Chairman of the meeting to which it relates; or
  - 21.2.2 any Person present at the meeting and appointed by the Directors to sign in the Chairman's place; or
  - 21.2.3 the Chairman of a subsequent meeting of the Directors.
- 21.3 Any extracts from or copy of those minutes purporting to be signed by the Chairman of that meeting or any Director shall be *prima facie* proof of the facts therein stated.

## 22. NOTICES

- 22.1 A notice may be given by the Company to any Member in accordance with Regulation 7 of the Companies Act.
- 22.2 Notice of every General Meeting shall be given to the auditor, for the time being, of the Company.
- 22.3 Any notice shall be deemed to be served in accordance with Annexure 3 (Table CR3) of the Regulations of the Companies Act.



## **23.WINDING-UP**

23.1 Upon dissolution of the Company, the assets which remain after payment of the debts and liabilities of the Company and the costs of liquidation, shall be applied as follows:

23.1.1 To repay to the Members the amount paid up on the Shares respectively held by the Members.

23.1.2 To repay to 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 such Member is in arrear with any debt due to the Company as at the date of winding up of the Company.

23.1.3 The balance remaining after the payments referred to in sub-articles 23.1.1 and 23.1.2 shall be paid to the Members in proportion to the number of Shares held by each Member to the total issued share capital.

## **24.INDEMNITY**

Subject to the provisions of Section 77 of the Act, the members of the Board and officers of the Company shall be indemnified by the Company against all proceedings, costs and expenses incurred by reason of any claim made against them in connection with their conduct of the affairs of the Company.

## **25.LIMITATION OF LIABILITY OF DIRECTORS**

Each Director, alternate Director, manager, executive officer and other officer of the Company, and person employed by the Company as its auditor, shall be indemnified by the Company against any liability incurred by him from time to time in that capacity in defending any proceedings (whether civil or criminal) in which judgement is given in his favour or in which he is acquitted or in respect of any of those proceedings which are abandoned or in connection with any application made under

Section 78 of the Act in which relief is granted to him by a Court of competent jurisdiction.

## **26.ARBITRATION**

- 26.1 In the event of any dispute or difference arising between the Company and/or Directors and/or the Members (hereinafter referred to as "the parties") as to the interpretation of the Use Agreement and/or any other agreement between the parties and/or the Statutes and/or the rights and/or obligations of the parties arising from the MOI, such dispute or difference shall be referred to an arbitrator who shall settle the dispute in terms of and subject to the principles and conditions of the Arbitration Act No. 42 of 1965 as amended.
- 26.2 The arbitrator shall be appointed by agreement between the parties, provided that in the event of the parties failing to agree on the appointment of an arbitrator within 14 (fourteen) days after receipt of the notice to do so, the party requesting arbitration proceedings may request the Chairperson, for the time being, of the Society of Advocates of the High Court of South Africa of the High Court Division in which the Buildings are situate, to appoint an arbitrator.
- 26.3 The decision of the arbitrator shall be final and binding and may be made an order by any court to whose jurisdiction the parties to the dispute are subject.

## **27.DIVIDENDS AND RESERVE**

- 27.1 The Company may at the annual General Meeting declare dividends but no dividends shall exceed the amount recommended by the Directors.
- 27.2 The Directors may from time to time pay to the Members such interim dividends as appear to the Directors to be justified by the profits of the Company.

- 27.3 No dividend shall be paid otherwise than out of profits, or bear interest against the Company.
- 27.4 The Directors may, before recommending any dividends, set aside out of the profits of the Company such sums as they think fit as a reserve or reserves, which shall, at the discretion of the Directors, be applicable for any purpose to which the profits of the Company may be properly applied and, pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the company) as the Directors may from time to time think fit. The Directors may also without placing the same to reserve carry forward any profits which they may think prudent.
- 27.5 Notice of any dividend that may have been declared shall be given in the manner provided for in article 22 to the Persons entitled to share therein.
- 27.6 Every dividend or other moneys payable in cash in respect of shares may be paid as the Directors may from time to time determine.
- 27.7 The Company shall not be responsible for the loss in transmission of any document sent through the post to the registered address of any Member, whether or not it was so sent at his request.

**SCHEDULE OF BUILDINGS**

The Company owns the under mentioned sections in the Sectional Title Scheme known as St Ives, Sectional Title Scheme No. 95/1987

| <b>Section Number</b> | <b>Extent in Square Metres</b> |
|-----------------------|--------------------------------|
| 3                     | 62                             |
| 4                     | 62                             |
| 5                     | 49                             |
| 6                     | 31                             |
| 9                     | 48                             |
| 12                    | 48                             |
| 13                    | 31                             |

**The provisions of the Share Blocks Control Act No. 59 of 1980 control the business of the Company in the following Sections:**

1. **Section 3 – Application of certain laws in respect of share block companies**

2. **Section 5 – Restrictions on the operation of a share block scheme**

3. **Section 7 – Main Objects**

- to operate a share block scheme in respect of immovable property owned or leased by it.
- a Member shall be entitled to use a specified part of the immovable property in accordance with the Use Agreement entered into between the Member and the Company.

4. **Section 8 and 8A – Sectional Title Register**

The Company shall have the power to perform any act and incur any expenditure to effect the opening in terms of **Section 12** of the Sectional Titles Act 1986, as amended, from time to time of a sectional titles register in relation to its immovable property.

5. **Section 10 – Rights attaching to shares in a Share Block Company**

The Shares shall confer the same vote as every other Share of the Company, and the Shares shall confer a right to, or interest in, the use of the immovable property.

6. **Section 11 – Offer of sale of shares**

Share Block Company Shares may be offered to the public for sale if, in lieu of compliance with any other requirements, such offer is accompanied by a statement that any proposed purchaser of any such Shares is required to enter into a contract referred to in Section 17 in respect of such Shares and that a copy of the contract

required to be entered into is available for inspection free of charge at an address indicated in the statement.

7. **Section 12 – Directors and Developer Directors**

Refer to Articles 17.5 and 17.6 of this **MOI**.

8. **Section 13 - Levy Fund and Trust Accounts**

8.1 The Company shall establish and maintain a levy fund sufficient in the opinion of its Directors for the repair, upkeep, control, management and administration of the Company and of the immovable property in respect of which it operates the share block scheme, for the payment of rates and taxes and other local authority charges on the said immovable property, any charges for the supply of electric current, gas, water, fuel, sanitary and any other services to the said immovable property, and services required by the Company, for the covering of any losses suffered by the Company for the payment of any premiums of insurance and of all expenses incurred or to be incurred to effect the opening under **Section 12** of the Sectional Titles Act of a sectional title register in relation to the said immovable property, and for the discharge of any other obligation of the Company.

8.2 The Members shall contribute to the levy fund as agreed between them and the Company and failing such agreement in proportion to the number of Shares held by each Member to the total of the issued Shares.

8.3 The Company shall open and maintain with a bank or similar registered financial institution/s a separate account which shall be styled the Levy Fund Account and into which shall be deposited all Members' contributions to the levy fund, or alternatively, shall entrust such contributions to a practitioner (as defined in the Share Blocks Act) or an estate agent.

9. **Section 14 – Loan Obligation**

9.1 Each Member of the Company shall be liable for that portion of the Company's loan obligation as agreed upon between the Company and the Members and in the absence of such agreement then in the proportion of each Member's Shares to the total number of issued Shares of the Company.

9.2 All monies paid by Members to the Company in respect of the Company's loan obligation shall either:

9.2.1 be deposited by the Company into a separate account, styled the Share Blocks Control Act Section 15(3) Trust Account, which shall be opened and maintained by the Company with a registered financial institution; or

9.2.2 be entrusted to a practitioner (as defined in the Share Blocks Control Act) or an estate agent.

9.3 If any monies referred to in **paragraph 9.2** are not immediately required to be applied in reduction of the Company's loan obligation they may be invested in a separate savings or other interest bearing account with any registered financial institution or other institution designated by the Minister of Finance, which account shall be styled the Share Block Control Act Section 15(3) Trust Account.

9.4 The monies paid to the Company in terms of **paragraph 9.2** shall be applied for the sole purpose of the redemption of the Company's loan obligation unless otherwise decided upon by the Members by resolution passed as contemplated in **paragraphs 9.5 and 9.6**.

9.5 **Borrowing Powers**

9.5.1 The Company shall not increase its loan obligations or encumber any of its assets unless the increase or encumbrance has been approved by a resolution of at least seventy-five percent (75%) in number of

the Members, excluding the Share Block Developer, having the right to vote at the relevant meeting and holding in the aggregate at least seventy-five percent (75%) of the total number of votes of all the Members, excluding the number of votes held by the Share Block Developer.

9.5.2 The provisions of the Act relating to notice and registration of a special resolution shall *mutatis mutandis* apply in respect of the resolution referred to in **paragraph 9.5.1** above.

9.5.3 The provisions of **paragraph 9.5.1** shall not apply:

9.5.3.1 in respect of an encumbrance which secures an existing liability comprised in the Company's loan obligation;

9.5.3.2 where at the time the Shares of the Company were offered for subscription or sale, it was disclosed to all Members of the Company and to the person to whom the Shares were offered that the Company contemplated increasing its loan obligations or encumbering its assets on stated terms and conditions and the Company has acted in accordance with such disclosure.

9.6 Subject to **paragraph 9.5** and to the provisions of any agreement existing from time to time between the Company and any shareholder or shareholders:

9.6.1 the Directors may in their discretion from time to time raise or borrow any sum or sums of money for the purposes of the Company without limitation;

9.6.2 the Directors may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bond, perpetual or redeemable, secured or unsecured debentures, or any mortgage,



charge or other security on the undertaking of the whole or in part of the property of the Company, both present and future.

## 10. Accounting Records

10.1 The Directors shall cause such accounting records as are prescribed by the provisions of the Share Blocks Control Act to be kept, including such accounting records as are referred to in **paragraphs 10.1.1 and 10.1.2** hereunder and also such other accounting records as are necessary fairly to present the state of affairs and business of the Company and to explain the transactions and financial position of the trade or business of the Company.

10.1.1 The Directors shall ensure that such accounting records 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 levy fund, referred to in **paragraph 8**, are kept.

10.1.2 The Directors shall keep separate books, accounting records and financial statements such as are necessary to fairly reflect and explain the state of affairs in respect of all moneys paid to the Company by Members in reduction of the Company's loan obligation and the Directors shall ensure that the Company's books and accounting records relating to these moneys are balanced at least every six months and that these books, accounting records and financial statements are audited by the Company's auditors at least once annually.

10.2 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 inspection by the Directors and to other parties in accordance with the provisions of the Act and the Promotion of Access to Information Act No. 2 of 2000.

11. **Annual Financial Statements**

11.1 The Directors shall from time to time in accordance with the provisions of **the Act** cause to be prepared and laid before the Company in General Meeting such annual financial statements, group financial statements and group reports, if any, together with such financial statements prepared in terms of **paragraph 10**.

11.2 A copy of the financial statements, group annual financial statements and group reports which are laid before the Company in an annual General Meeting shall be in accordance with the provisions of the Act.

12. **Audit**

An auditor shall be appointed as required in terms of the provisions of the Share Blocks Act.

13. **Use Agreement (Annexure 4).**

**SEATIDE SHARE BLOCK COMPANY LIMITED**

|                        | <b>Number<br/>of share<br/>blocks</b> | <b>Number of<br/>shares</b> | <b>Loan<br/>Obligation</b>   |
|------------------------|---------------------------------------|-----------------------------|------------------------------|
| Annexure 2.1 'A' Class | 104                                   | 1360                        | 176565.90                    |
| Annexure 2.2 'B' Class | 156                                   | 1701                        | 220837.23                    |
| Annexure 2.3 'C' Class | 104                                   | 808                         | 104901.14                    |
|                        | <hr/> <b>364</b> <hr/>                | <hr/> <b>3869</b> <hr/>     | <hr/> <b>502304.27</b> <hr/> |

'A' Class Shares

Units Numbered 3 and 4

| Week | Shares per Unit | Total Shares | Loan Obligation per unit | Total Loan Obligation |
|------|-----------------|--------------|--------------------------|-----------------------|
| 1    | 30              | 60           | 3894.84                  | 7789.68               |
| 2    | 24              | 48           | 3115.87                  | 6231.74               |
| 3    | 24              | 48           | 3115.87                  | 6231.74               |
| 4    | 9               | 18           | 1168.45                  | 2336.9                |
| 5    | 9               | 18           | 1168.45                  | 2336.9                |
| 6    | 9               | 18           | 1168.45                  | 2336.9                |
| 7    | 9               | 18           | 1168.45                  | 2336.9                |
| 8    | 9               | 18           | 1168.45                  | 2336.9                |
| 9    | 9               | 18           | 1168.45                  | 2336.9                |
| 10   | 9               | 18           | 1168.45                  | 2336.9                |
| 11   | 9               | 18           | 1168.45                  | 2336.9                |
| 12   | 30              | 60           | 3894.84                  | 7789.68               |
| 13   | 30              | 60           | 3894.84                  | 7789.68               |
| 14   | 30              | 60           | 3894.84                  | 7789.68               |
| 15   | 9               | 18           | 1168.45                  | 2336.9                |
| 16   | 4               | 8            | 519.31                   | 1038.62               |
| 17   | 4               | 8            | 519.31                   | 1038.62               |
| 18   | 24              | 48           | 3115.87                  | 6231.74               |
| 19   | 4               | 8            | 519.31                   | 1038.62               |
| 20   | 4               | 8            | 519.31                   | 1038.62               |
| 21   | 4               | 8            | 519.31                   | 1038.62               |
| 22   | 4               | 8            | 519.31                   | 1038.62               |
| 23   | 4               | 8            | 519.31                   | 1038.62               |
| 24   | 9               | 18           | 1168.45                  | 2336.9                |
| 25   | 24              | 48           | 3115.87                  | 6231.74               |
| 26   | 24              | 48           | 3115.87                  | 6231.74               |
| 27   | 24              | 48           | 3115.87                  | 6231.74               |
| 28   | 24              | 48           | 3115.87                  | 6231.74               |
| 29   | 24              | 48           | 3115.87                  | 6231.74               |
| 30   | 9               | 18           | 1168.45                  | 2336.9                |

Seaside Share Block Company Limited  
Annexure 2 – Share Register

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|    |    |             |         |                 |
|----|----|-------------|---------|-----------------|
| 31 | 4  | 8           | 519.31  | 1038.62         |
| 32 | 4  | 8           | 519.31  | 1038.62         |
| 33 | 4  | 8           | 519.31  | 1038.62         |
| 34 | 4  | 8           | 519.31  | 1038.62         |
| 35 | 4  | 8           | 519.31  | 1038.62         |
| 36 | 4  | 8           | 519.31  | 1038.62         |
| 37 | 4  | 8           | 519.31  | 1038.62         |
| 38 | 9  | 18          | 1168.45 | 2336.9          |
| 39 | 24 | 48          | 3115.87 | 6231.74         |
| 40 | 24 | 48          | 3115.87 | 6231.74         |
| 41 | 9  | 18          | 1168.45 | 2336.9          |
| 42 | 4  | 8           | 519.31  | 1038.62         |
| 43 | 4  | 8           | 519.31  | 1038.62         |
| 44 | 4  | 8           | 519.31  | 1038.62         |
| 45 | 4  | 8           | 519.31  | 1038.62         |
| 46 | 4  | 8           | 519.31  | 1038.62         |
| 47 | 4  | 8           | 519.31  | 1038.62         |
| 48 | 9  | 18          | 1168.45 | 2336.9          |
| 49 | 24 | 48          | 3115.87 | 6231.74         |
| 50 | 30 | 60          | 3894.84 | 7789.68         |
| 51 | 30 | 60          | 3894.84 | 7789.68         |
| 52 | 30 | 60          | 3894.84 | 7789.68         |
|    |    | <b>1360</b> |         | <b>176565.9</b> |

**'B' Class Shares**

**Units Numbered 5, 9 and 12**

| <b>Week</b> | <b>Shares per Unit</b> | <b>Total Shares</b> | <b>Loan Obligation per unit</b> | <b>Total Loan Obligation</b> |
|-------------|------------------------|---------------------|---------------------------------|------------------------------|
| 1           | 27                     | 81                  | 3505.35                         | 10516.05                     |
| 2           | 20                     | 60                  | 2596.56                         | 7789.68                      |
| 3           | 20                     | 60                  | 2596.56                         | 7789.68                      |
| 4           | 7                      | 21                  | 908.8                           | 2726.4                       |
| 5           | 7                      | 21                  | 908.8                           | 2726.4                       |
| 6           | 7                      | 21                  | 908.8                           | 2726.4                       |
| 7           | 7                      | 21                  | 908.8                           | 2726.4                       |
| 8           | 7                      | 21                  | 908.8                           | 2726.4                       |
| 9           | 7                      | 21                  | 908.8                           | 2726.4                       |
| 10          | 7                      | 21                  | 908.8                           | 2726.4                       |
| 11          | 7                      | 21                  | 908.8                           | 2726.4                       |
| 12          | 27                     | 81                  | 3505.35                         | 10516.05                     |
| 13          | 27                     | 81                  | 3505.35                         | 10516.05                     |
| 14          | 27                     | 81                  | 3505.35                         | 10516.05                     |
| 15          | 7                      | 21                  | 908.8                           | 2726.4                       |
| 16          | 3                      | 9                   | 389.48                          | 1168.44                      |
| 17          | 3                      | 9                   | 389.48                          | 1168.44                      |
| 18          | 20                     | 60                  | 2596.56                         | 7789.68                      |
| 19          | 3                      | 9                   | 389.48                          | 1168.44                      |
| 20          | 3                      | 9                   | 389.48                          | 1168.44                      |
| 21          | 3                      | 9                   | 389.48                          | 1168.44                      |
| 22          | 3                      | 9                   | 389.48                          | 1168.44                      |
| 23          | 3                      | 9                   | 389.48                          | 1168.44                      |
| 24          | 7                      | 21                  | 908.8                           | 2726.4                       |
| 25          | 20                     | 60                  | 2596.56                         | 7789.68                      |
| 26          | 20                     | 60                  | 2596.56                         | 7789.68                      |
| 27          | 20                     | 60                  | 2596.56                         | 7789.68                      |
| 28          | 20                     | 60                  | 2596.56                         | 7789.68                      |
| 29          | 20                     | 60                  | 2596.56                         | 7789.68                      |
| 30          | 7                      | 21                  | 908.8                           | 2726.4                       |

Seaside Share Block Company Limited  
Annexure 2 – Share Register

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|    |    |             |         |                 |
|----|----|-------------|---------|-----------------|
| 31 | 3  | 9           | 389.48  | 1168.44         |
| 32 | 3  | 9           | 389.48  | 1168.44         |
| 33 | 3  | 9           | 389.48  | 1168.44         |
| 34 | 3  | 9           | 389.48  | 1168.44         |
| 35 | 3  | 9           | 389.48  | 1168.44         |
| 36 | 3  | 9           | 389.48  | 1168.44         |
| 37 | 3  | 9           | 389.48  | 1168.44         |
| 38 | 7  | 21          | 908.8   | 2726.4          |
| 39 | 20 | 60          | 2596.56 | 7789.68         |
| 40 | 20 | 60          | 2596.56 | 7789.68         |
| 41 | 7  | 21          | 908.8   | 2726.4          |
| 42 | 3  | 9           | 389.48  | 1168.44         |
| 43 | 3  | 9           | 389.48  | 1168.44         |
| 44 | 3  | 9           | 389.48  | 1168.44         |
| 45 | 3  | 9           | 389.48  | 1168.44         |
| 46 | 3  | 9           | 389.48  | 1168.44         |
| 47 | 3  | 9           | 389.48  | 1168.44         |
| 48 | 7  | 21          | 908.8   | 2726.4          |
| 49 | 20 | 60          | 2596.56 | 7789.68         |
| 50 | 27 | 81          | 3505.35 | 10516.05        |
| 51 | 27 | 81          | 3505.35 | 10516.05        |
| 52 | 27 | 81          | 3505.35 | 10516.05        |
|    |    | <b>1701</b> |         | <b>220837.2</b> |

**`C' Class Shares**  
**Units Numbered 6 and 13**

| <b>Week</b> | <b>Shares per Unit</b> | <b>Total Shares</b> | <b>Loan Obligation per unit</b> | <b>Total Loan Obligation</b> |
|-------------|------------------------|---------------------|---------------------------------|------------------------------|
| 1           | 20                     | 40                  | 2596.56                         | 5193.12                      |
| 2           | 14                     | 28                  | 1817.59                         | 3635.18                      |
| 3           | 14                     | 28                  | 1817.59                         | 3635.18                      |
| 4           | 5                      | 10                  | 649.14                          | 1298.28                      |
| 5           | 5                      | 10                  | 649.14                          | 1298.28                      |
| 6           | 5                      | 10                  | 649.14                          | 1298.28                      |
| 7           | 5                      | 10                  | 649.14                          | 1298.28                      |
| 8           | 5                      | 10                  | 649.14                          | 1298.28                      |
| 9           | 5                      | 10                  | 649.14                          | 1298.28                      |
| 10          | 5                      | 10                  | 649.14                          | 1298.28                      |
| 11          | 5                      | 10                  | 649.14                          | 1298.28                      |
| 12          | 20                     | 40                  | 2596.56                         | 5193.12                      |
| 13          | 20                     | 40                  | 2596.56                         | 5193.12                      |
| 14          | 20                     | 40                  | 2596.56                         | 5193.12                      |
| 15          | 5                      | 10                  | 649.14                          | 1298.28                      |
| 16          | 2                      | 4                   | 259.66                          | 519.32                       |
| 17          | 2                      | 4                   | 259.66                          | 519.32                       |
| 18          | 14                     | 28                  | 1817.59                         | 3635.18                      |
| 19          | 2                      | 4                   | 259.66                          | 519.32                       |
| 20          | 2                      | 4                   | 259.66                          | 519.32                       |
| 21          | 2                      | 4                   | 259.66                          | 519.32                       |
| 22          | 2                      | 4                   | 259.66                          | 519.32                       |
| 23          | 2                      | 4                   | 259.66                          | 519.32                       |
| 24          | 5                      | 10                  | 649.14                          | 1298.28                      |
| 25          | 14                     | 28                  | 1817.59                         | 3635.18                      |
| 26          | 14                     | 28                  | 1817.59                         | 3635.18                      |
| 27          | 14                     | 28                  | 1817.59                         | 3635.18                      |
| 28          | 14                     | 28                  | 1817.59                         | 3635.18                      |
| 29          | 14                     | 28                  | 1817.59                         | 3635.18                      |
| 30          | 5                      | 10                  | 649.14                          | 1298.28                      |



Seaside Share Block Company Limited  
Annexure 2 – Share Register

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|    |    |            |         |                 |
|----|----|------------|---------|-----------------|
| 31 | 2  | 4          | 259.66  | 519.32          |
| 32 | 2  | 4          | 259.66  | 519.32          |
| 33 | 2  | 4          | 259.66  | 519.32          |
| 34 | 2  | 4          | 259.66  | 519.32          |
| 35 | 2  | 4          | 259.66  | 519.32          |
| 36 | 2  | 4          | 259.66  | 519.32          |
| 37 | 2  | 4          | 259.66  | 519.32          |
| 38 | 5  | 10         | 649.14  | 1298.28         |
| 39 | 14 | 28         | 1817.59 | 3635.18         |
| 40 | 14 | 28         | 1817.59 | 3635.18         |
| 41 | 5  | 10         | 649.14  | 1298.28         |
| 42 | 2  | 4          | 259.66  | 519.32          |
| 43 | 2  | 4          | 259.66  | 519.32          |
| 44 | 2  | 4          | 259.66  | 519.32          |
| 45 | 2  | 4          | 259.66  | 519.32          |
| 46 | 2  | 4          | 259.66  | 519.32          |
| 47 | 2  | 4          | 259.66  | 519.32          |
| 48 | 5  | 10         | 649.14  | 1298.28         |
| 49 | 14 | 28         | 1817.59 | 3635.18         |
| 50 | 20 | 40         | 2596.56 | 5193.12         |
| 51 | 20 | 40         | 2596.56 | 5193.12         |
| 52 | 20 | 40         | 2596.56 | 5193.12         |
|    |    | <b>808</b> |         | <b>104901.1</b> |

**2013**

| <b><i>Week Module Name</i></b> | <b><i>Start Date</i></b> | <b><i>End Date</i></b> |
|--------------------------------|--------------------------|------------------------|
| 1                              | 04/01/2013               | 11/01/2013             |
| 2                              | 11/01/2013               | 18/01/2013             |
| 3                              | 18/01/2013               | 25/01/2013             |
| 4                              | 25/01/2013               | 01/02/2013             |
| 5                              | 01/02/2013               | 08/02/2013             |
| 6                              | 08/02/2013               | 15/02/2013             |
| 7                              | 15/02/2013               | 22/02/2013             |
| 8                              | 22/02/2013               | 01/03/2013             |
| 9                              | 01/03/2013               | 08/03/2013             |
| 10                             | 08/03/2013               | 15/03/2013             |
| 11                             | 15/03/2013               | 22/03/2013             |
| 12                             | 22/03/2013               | 29/03/2013             |
| 13                             | 29/03/2013               | 05/04/2013             |
| 14                             | 05/04/2013               | 12/04/2013             |
| 15                             | 12/04/2013               | 19/04/2013             |
| 16                             | 19/04/2013               | 26/04/2013             |
| 17                             | 26/04/2013               | 03/05/2013             |
| 18                             | 03/05/2013               | 10/05/2013             |
| 19                             | 10/05/2013               | 17/05/2013             |
| 20                             | 17/05/2013               | 24/05/2013             |
| 21                             | 24/05/2013               | 31/05/2013             |
| 22                             | 31/05/2013               | 07/06/2013             |
| 23                             | 07/06/2013               | 14/06/2013             |
| 24                             | 14/06/2013               | 21/06/2013             |
| 25                             | 21/06/2013               | 28/06/2013             |
| 26                             | 28/06/2013               | 05/07/2013             |
| 27                             | 05/07/2013               | 12/07/2013             |
| 28                             | 12/07/2013               | 19/07/2013             |
| 29                             | 19/07/2013               | 26/07/2013             |
| 30                             | 26/07/2013               | 02/08/2013             |
| 31                             | 02/08/2013               | 09/08/2013             |
| 32                             | 09/08/2013               | 16/08/2013             |
| 33                             | 16/08/2013               | 23/08/2013             |
| 34                             | 23/08/2013               | 30/08/2013             |
| 35                             | 30/08/2013               | 06/09/2013             |
| 36                             | 06/09/2013               | 13/09/2013             |
| 37                             | 13/09/2013               | 20/09/2013             |
| 38                             | 20/09/2013               | 27/09/2013             |
| 39                             | 27/09/2013               | 04/10/2013             |
| 40                             | 04/10/2013               | 11/10/2013             |
| 41                             | 11/10/2013               | 18/10/2013             |
| 42                             | 18/10/2013               | 25/10/2013             |
| 43                             | 25/10/2013               | 01/11/2013             |
| 44                             | 01/11/2013               | 08/11/2013             |
| 45                             | 08/11/2013               | 15/11/2013             |
| 46                             | 15/11/2013               | 22/11/2013             |
| 47                             | 22/11/2013               | 29/11/2013             |
| 48                             | 29/11/2013               | 06/12/2013             |
| 49                             | 06/12/2013               | 13/12/2013             |
| 50                             | 13/12/2013               | 20/12/2013             |
| 51                             | 20/12/2013               | 27/12/2013             |
| 52                             | 27/12/2013               | 03/01/2014             |

**ANNEXURE 4**

**SEATIDE SHARE BLOCK COMPANY LIMITED**

**USE AGREEMENT**

**NOTE:**

1. Any references in the attached to the 'Companies Act' are to be read as references to the Companies Act No.71 of 2008, as amended.
2. Any references in the attached to the 'Articles of Association' are to be read as references to the Company's Memorandum of Incorporation.
3. Any reference to a manager or management company or is to be read as reference to the Managing Agent appointed from time to time by the Directors.

**"SEATIDE"  
TIMESHARE**

**USE AGREEMENT**

**Agreement entered into between:  
SEATIDE SHAREBLOCK COMPANY LIMITED**

(hereinafter with its successors in title and assigns called "the COMPANY")

- of the one part –  
and

**SEASITE DEVELOPMENTS CC  
Reg. No. CK89/12511/23**

herein represented by WILLIEM WOUTER JACOBUS VILJOEN in his capacity as a Member of the Close Corporation, SEATIDE DEVELOPMENTS CC being the registered holder for the time being of the Shareblock as hereinafter defined in the Company and also for each successive holder or purchaser, whether under a suspensive condition as to the passing of ownership or otherwise from time to time of the Shareblock.

(hereinafter called "the MEMBER")

- of the other part –

***THIS AGREEMENT WITNESSETH***

**1. DEFINITIONS**

for the purpose of this Agreement, unless the context otherwise requires it:

- |     |                 |  |
|-----|-----------------|--|
| 1.1 | "the Property"  | shall mean ST IVES a Sectional Title Scheme No. 95/1987, situated on Remainder of Lot 1, situate in the Borough of Uvongo, Lower South Coast Regional Water Services Area, Administrative District of Natal in extent TWO THOUSAND AND TWENTY FOUR (2024) square meters; |
| 1.2 | "the Premises"  | shall mean Apartment No. indicated in red on the Plan hereto annexed marked "A", and situated on the Property;   |
| 1.3 | "the Developer" | SEATIDE DEVELOPMENTS CC  |
| 1.4 | "the Units"     | shall mean Unit Nos. 3, 4, 5, 6, 9, 12, and 13 as follows:   |

SECTION No. 3 as shown and more fully described on Sectional Plan No. 95/1987 in the building or buildings known as ST IVES situated at Remainder of Lot 1 Uvongo, situate in the Borough of Uvongo and in the Lower South Coast Regional Water Services Area, Administrative District of Natal, of which section the floor area according to the Sectional Plan is SIXTY TWO (62) square meters in extent together with an undivided share in the common property; and

SECTION No. 2 as shown and more fully described on Sectional Plan No. 95/1987 in the building or buildings known as ST IVES situated at Remainder of Lot 1 Uvongo, situate in the Borough of Uvongo and in the Lower South Coast Administrative District of Natal, of which section the floor area according to the Sectional Plan is SIXTY TWO (62) square meters in extent together with an undivided share in the common property; and

SECTION No. 5 as shown and more fully described on Sectional Plan No. 95/1987 in the building or buildings known as ST IVES situated at Remainder of Lot 1 Uvongo, situate in the Borough of Uvongo and in the Lower South Coast Administrative District of Natal, of which section the floor area according to the Sectional Plan is FORTY NINE (49) square meters in extent together with an undivided share in the common property; and

SECTION No. 6 as shown and more fully described on Sectional Plan No. 95/1987 in the building or buildings known as ST IVES situated at Remainder of Lot 1 Uvongo, situate in the Borough of Uvongo and in the Lower South Coast Administrative District of Natal, of which section the floor area according to the Sectional Plan is THIRTY ONE (31) square meters in extent together with an undivided share in the common property; and

SECTION No. 9 as shown and more fully described on Sectional Plan No. 95/1987 in the building or buildings known as ST IVES situated at Remainder of Lot 1 Uvongo, situate in the Borough of Uvongo and in the Lower South Coast Administrative District of

Natal, of which section the floor area according to the Sectional Plan is FORTY EIGHT (48) square meters in extent together with an undivided share in the common property; and

SECTION No. 12 as shown and more fully described on Sectional Plan No. 95/1987 in the building or buildings known as ST IVES situated at Remainder of Lot 1 Uvongo, situate in the Borough of Uvongo and in the Lower South Coast Administrative District of Natal, of which section the floor area according to the Sectional Plan is FORTY EIGHT (48) square meters in extent together with an undivided share in the common property; and

SECTION No. 13 as shown and more fully described on Sectional Plan No. 95/1987 in the building or buildings known as ST IVES situated at Remainder of Lot 1 Uvongo, situate in the Borough of Uvongo and in the Lower South Coast Administrative District of Natal, of which section the floor area according to the Sectional Plan is THIRTY ONE (31) square meters in extent together with an undivided share in the common property; and in respect of which a property timesharing scheme as defined in the Property Timesharing Control Act No. 75 of 1983 is/will be operated:

- 1.5 "A" Shareholders" shall mean those Shareholders who own Shareblocks comprising "A" Class ordinary shares in the COMPANY entitling them to the possession, occupation and use of an 8 sleeper Apartment, in the buildings situated on the property;
- 1.6 "B" Shareholders" shall mean those Shareholders who own Shareblocks comprising "B" Class Ordinary Shares in the COMPANY entitling them to the possession, occupation and use of a 6 sleeper Apartment, in the buildings situated on the property;
- 1.7 "C" Shareholders" shall mean those Shareholders who own Shareblocks comprising "A" Class Ordinary Shares in the COMPANY entitling them to the possession, occupation and use of a 4 sleeper Apartment, in the buildings situated on the property;
- 1.8 "building" shall mean the buildings situated on the property;
- 1.9 "the Allocated Loan" shall mean the paid off portion of the loan obligation allocated to the Shareblock;
- 1.10 "Shareblock" shall mean the Shareblocks comprising the ordinary "A", "B" and "C" Class Shares, as the case may be, in the COMPANY registered in the name of the Member the acquisition and ownership of which by the Member entitles him to the use of the Apartment for specific period;
- 1.11 "the Act" shall mean the Property Timesharing Control Act No. 75 of 1983 (as amended) and any regulations made thereunder as amended from time to time;
- 1.12 "Managing Agent" shall mean STUART JOHN LAMONT trading as RESORT ADMINISTRATION SERVICES cc, 1<sup>st</sup> Floor Windsor House, Marine Drive, Margate, 4275.
- 1.13 "Preferent Shareholders" mean the Developer holding those Shares which are coupled with the right to acquire further Units in the Sectional Tile Scheme known as ST IVES at a future date
- 1.14 "Preference Shares" mean those Convertible Preference Shares to which are linked the right to acquire further Units in the Sectional Tile Scheme known as ST IVES at a future date
- 1.15 "Management Regulations" means the Management Regulations made by the Director of the COMPANY which are in force from time to time;
- 1.16 "Accommodation" in relation to a timesharing interest, means any immovable property or any part thereof;
- 1.17 "Architect" means an Architect as defined in Section 1 of the Architect's Act 1970 (Act No 35 of 1970);
- 1.18 "Time Module" a period of seven (7) consecutive days commencing on a Friday at 14h00 and ending on the following Friday at 10h00 during which period the Purchaser may utilize his timesharing interest annually, provided that the Purchaser shall only be entitled to utilize his timesharing interest during a time module from 14h00 on the commencement date thereof until 10h00 on the termination date thereof;
- 1.19 "A Timesharing interest" means any rights to or interest in the exclusive use or occupation, during determined or determinable periods during any year of accommodation.
- 1.20 "Common Property" all portions of the property and the Units which are not include in any premises which are the subject of an agreement of use and occupation.
- 1.21 words and expressions in this Agreement shall have the meanings ascribed to them as set out in the aforementioned Acts;

1.22 where the masculine gender is used, this shall include the feminine and neuter genders and visa versa, and the singular shall include the plural.

**2. RIGHT TO USE OF PORTION OF PROPERTY**

2.1 Provided the Member shall have complied with all his obligations in terms of this Agreement, he shall have the sole right to the exclusive use, occupation and enjoyment, free from the payment of any rental therefor, for the week/s referred to in the Agreement and appertaining to his shareblock of the Premises, together with the movable property therein and to the use in common with others of any common property allocated to the Premises.

2.2 The Directors of the Company, duly authorized, shall be entitled to vary, add to or replace the movable property referred to in Annexure "E" provided that such variation, addition or replacement shall not substantially alter the nature or quality of such movable property.

2.3 The Member shall have the right to the use and enjoyment with other members of the Company and occupants of such portions of the Property as are not reserved for the exclusive use of any other person, Shareholder of the Company and/or the Managing Agent from time to time, and by the Body Corporate of St Ives as Management and Conduct Rules in terms of the Sectional Titles Act No. 95 of 1986.

2.4 The rights of the Member, his heirs, executors, administrators or assigns shall endure for the week/s in each year as long as he continues to be the beneficial owner of the Shareblock and remains in fulfillment of all the terms and conditions of the Agreement and Rules and Regulations imposed from time to time.

2.5 The premises shall be furnished and provided with the movable property which in terms of Annexure "E" is specified for such Apartment, it being recorded that the movable property is the property of the Company and that nothing in this Agreement shall vest the Shareholder with the ownership of such movable property from the premises either during or upon termination of any week the premises are used by the Shareholder.

2.6 If at any time the premises required to be refurbished or renovated, the Company, or the Managing Agent shall be entitled themselves and their respective contractors and workmen during normal business hours to have access to the premises for the purpose of carrying out such works as may be required to be done from time to time provided always that the Company will use its best endeavors to procure that such works are preferably carried out during the time when such Apartment is unoccupied. IF the Member or any person using the premises suffers inconvenience from such operations or any similar operations conducted in any other part of the building, the Member and such other person shall have no claim whatever against either the Company, the Preferent Shareholders, the Developer or the Managing Agent.

2.7 In the event that the refurbishing or renovating operations referred to above or any other building operations on the property are such as to deprive the Member or any person lawfully claiming use of the premises or beneficial use thereof or should the premises for any reason at any time and from time to time not be available for use, no claim whatever will arise against either the Company, the Developer or the Managing Agent, but the Company or the Managing Agent shall be entitled to provide the holder or such other user without extra cost to the holder or other user with substantially equivalent temporary accommodation on the property for the duration of the relevant week/s or for such time as the premises are not so available as the case may be.

2.8 If any dispute arises at any time as to whether the holder or other user aforesaid is unable to enjoy beneficial use of the premises at any time, such dispute shall be determined by the Managing Agent who in making such decision shall act as an expert and not as an arbitrator and whose decision shall be final and binding on the holder or such other person.

**3. ACKNOWLEDGEMENTS BY MEMBER**

The Member acknowledges and agree:

3.1 that the Apartment shall be used for residential purposes only, and such use shall at all times be subject to such terms and conditions as may be imposed by the Company and/or the Managing Agent from time to time. The Apartment shall be used and occupied personally by the Member and no more than the number of persons in all, including the Member, as specified in terms of this Agreement shall reside therein. In the event of the rights of use herein being held by a Company or Body Corporate, the Apartment shall be occupied by such person who may be nominated from time to time by the said Company or Body Corporate, which occupied shall be subject to the prior approval of the directors of the Company, which approval shall not be unreasonably withheld.

3.1.1 that he may not alienate his shares and his rights to the Use and Occupation Agreement independently of his timesharing interest;

3.2 that he may not accumulate his timesharing interest and carry it forward from one year to another.

3.3 that prior to occupation of the Apartment he shall be obliged to pay a damages deposit (the amount to be determined by the managing Agent from time to time), such amount to be held by the Managing Agent and utilized for the replacement of any movables, crockery, cutlery, bed linen and furnishings of the Apartments, the damage whereof is attributed to the member. The said deposit, less any deductions shall be refunded to the Member upon his disposal of his timesharing interest.

3.4 that no liability whatever shall rest upon the Company for any:

3.4.1 failure or breach of the Management Agreement by the Managing Agent or his employees;

3.4.2 thing done or omitted by the Manager from time to time.

#### **4. MANAGEMENT**

The management, control and administration of the property including the premises and the movable property and the use servicing and maintenance thereof shall be under the sole direction and control of the Managing Agent, who shall be appointed an employed from time to time pursuant to the managing agreement and who at all reasonable times shall have access thereto for all lawful purposes.

4.1 The Company shall procure that the Managing Agent shall:

- 4.2.1 carry out all obligations undertaken by the Company from time to time pursuant to this agreement;
- 4.2.2 carry out such of the obligation undertaken by the Company from time to time pursuant to any agreement with the holders of the Convertible Preference Shares or other occupant or occupants as may be agreed from time to time;
- 4.2.3 be responsible for fulfilling all obligations assigned to it pursuant to such Managing Agent's appointment in terms of the management agreement, including the enforcement of the management regulations;
- 4.2.4 employ, be responsible for and discharge any supervisor, caretaker and staff or other persons engaged to carry out any disputes or effect any service in respect of the property.
- 4.2.5 duly service the premises and for this purpose will daily sweep and clean the premises and provide linen and towels;
- 4.2.6 control the checking in and departure of any person entitled to the use of premises;
- 4.2.7 in the name of the Company collect and deal with all monies owing to the Company from time to time by the Member pursuant to the requirements of the Shareblocks Control Act No. 59 of 1980 (as amended) and the Property Timeshare Control Act No. 75 of 1983 (as amended).
- 4.2.8 control the general use of the building, including the premises, by Members for their mutual benefit and comfort;
- 4.2.9 arrange to give to the rights of use of the Member pursuant to this agreement in accordance with such procedural rules as may be prescribed by the Managing Agent from time to time.

4.2 The Member for himself and for any person using the premises from time to time undertakes to observe and comply with the lawful directives of the managing Agent at all times, provided that should the Member and/or any such other person fail to observe the check-in procedures prescribed by the Managing Agent from time to time, the Managing Agent shall be entitled to refuse admission to the premises to the persons aforesaid or, having commenced such use, to require or cause him to vacate the premises forthwith.

4.3 The Member agrees that the Managing Agent shall be entitled at all time to la down terms and conditions of use and maintenance, both in respect of the premises and of the property generally and including those relating to the care and upkeep of the premises and the property, use of radios, television sets and aerials, air-conditioning machines and other electrical appliances and apparatus, blinds and awnings, fire places, recreational facilities, the allocation and use of parking facilities, the parking of motor vehicles and such other matters as the directors and/or the Managing Agent deem fit for the general control of the use of the property and for the general convenience, comfort and will being of all the users of the property and from time to time to vary, alter or amend the same. In the event of there being any conflict between such regulations and this agreement, the provisions of this agreement shall prevail.

#### **5. ALTERATIONS AND DECORATION**

The Member shall not improve, decorate or make any alternations to the interior or exterior of the premises or tamper with any fittings, connections or plumbing serving the premises.

#### **6. ANIMALS AND PETS**

No animals or pets shall be kept and harboured in the Apartments unless the same has been expressly permitted in writing by the Company. In no event shall animals be permitted in elevators, if any, or in any of the public portions of the property, unless carried or on a leash. Permission granted may be withdrawn subsequently if the animal or pet is considered by the Company to constitute a nuisance to other occupants.

#### **7. REFUSE REMOVAL**

The Member shall not allow any of his possessions whatsoever or rubbish debris, dirt or refuse to be left on the property, nor shall he allow linen or clothing to be hung on the outside of the Apartment, except in the place specially designated therefore from time to time.

#### **8. INSURANCE**

The Member shall not do or cause any act or thing which may increase the rate of any insurance or vitiate ant insurance policy existing over the property or endanger the safety of the buildings.

**9. NUISANCE**

The Member shall not cause or permit any disorderly conduct of whatsoever nature within the Apartment or on the property or do or permit any act, matter or thing in or about the same which shall constitute or cause a nuisance or any inconvenience to the staff employed by the Company upon the property, to the Company, or to any other occupant of the remainder of the property.

**10. NO LIABILITY FOR FAILURE OF ELECTRICITY AND WATER SERVICES**

No liability shall rest upon the Company for any interruption or failure of the list (if any) in the property or of the electrical and/or water services that may be supplied and/or any other Municipal or other services to the property, irrespective of the cause thereof, nor for any consequential damage the Member may suffer by reason of such failure or interruption.

**11. LETTING**

The Member may let or part with occupation of the Apartment provided:

- 11.1 that no such letting and/or parting with occupation shall in any way release the Member from any of his obligations to the Company hereunder.
- 11.2 that as a condition precedent to any such letting and/or parting with occupation, the Member shall secure from any person to whom occupation is given, a written undertaking in favour of the Company that such person or user shall duly observe all such regulations and conditions as are contained in herein and which may be reasonably considered as being applicable to the occupier. Such undertaking shall be in such terms as the Managing Agent shall from time to time require; and it shall be lodged in writing with the Managing Agent prior to such persons being given occupation of the Apartment.
- 11.3 that the Member shall be obliged to furnish the Managing Agent with written notice prior to such person commencing any use of the premises of the full names and address of such other person and the details of such other person's proposed use of the premises in the form required by the Managing Agent, failing which the Managing Agent shall be entitled to refuse such person admission to the premises, or having commenced such use, to require or cause him to vacate the premises forthwith.

**12. MAINTENANCE**

- 12.1 The company shall, either itself or through the Managing Agent, (and subject to any obligation of any other person provided for in any lease of any portion of the property) maintain and repair the whole of the property and all improvements thereon, and the movable property and all other furnishings, appliances, décor and equipment of whatever nature used in conjunction with the premises or the property and which is owned by the Company, in a good, secure, clean and thoroughly tenantable order and condition and from time to time as and when necessary or requisite, renovate or renew the same.
  - 12.1.1 It is agreed that the Member acquires the use of the premises and the movable property for the week/s on a "voetstoots" basis without any warranties express or implied and in the condition in which the premises presently stand or will stand when the Member commences his use thereof.

The Company will endeavour to procure that all reasonable steps to remedy any defect in the premises or the movable property are taken within a reasonable time of having been given notice thereof. Any items, goods or property brought into the premises by the Member shall as concerns the Company be at the sole risk of the Member, who shall have no claim whatever upon the grounds against the Company for any loss suffered by the Member howsoever arising.

- 12.2 The Member undertakes to be bound by any procedures which may be prescribed by the management regulations or by the Managing Agent from time to time for the taking of inventories in respect of fixtures, fittings and the movable property at the commencement and conclusion of the relevant week or weeks of occupation.
- 12.3 The Company shall effect such insurance over and in respect of the property and all movable property, furnishings, décor, equipment and appliances used in conjunction therewith and which is owned by the Company, in such manner and against such risks as may be determined.
- 12.4 The Company's or the Managing Agent's duly authorised workmen shall be permitted to enter the premises at any reasonable hour of the day, if authorised by the directors or by the secretary, Managing Agent or supervisor acting under the powers delegated by the directors, in order to examine the same or to effect repairs thereto, or to any part of the property.

If the Member shall not be personally present to open the premises at any time when and for any reason entry shall be necessary or permissible, then the secretary or the Managing Agent or supervisor or any other duly authorised agent of the Company shall be entitled to enter the premises without being liable to any claim or cause of action for damage by reason thereof.

- 12.5 The Company shall not be responsible for any and the Member indemnifies the Company against any loss, damage or injury which the Member or any person using the premises through or at the instance of the Member, which the Member may sustain in the premises or in or about the Company's property by reason of any act whatsoever or neglect on the part of the Company or the Company's servants, nor shall the Company be responsible for and the Member indemnifies the Company against any loss, damage or injury of any description which the Member or any person may sustain by reason of the property or the premises a any time failing into a defective state, or by reason of any repairs, renovations and/or maintenance work to the rest of the property which are effected or are to be effected by the Company or by any other user thereof, or by reason of such repairs,



renovations and maintenance work not being effected timeously or at all and the Member shall not be entitled for any of the reasons aforesaid, or for any other reason whatsoever, to withhold any monies due to the Company.

**13. CONVERTIBLE PREFERENCE SHARES**

It is recorded that:

- 13.1 the Preferent Shareholders for the time being of the Convertible Preference Shares shall be entitled:
- 13.1.1 to acquire, at any time in the future, additional Sectional Title Units in ST IVES No. 95/1987;
  - 13.1.2 to convert such Preference Shares to Ordinary Shares and relate such Ordinary Shares to particular accommodation, time Modules, and Apartments, upon the same terms and conditions as contained in the existing Use Agreements;
  - 13.1.3 to do any act which in their opinion will improve or enhance the value of the existing or future movable and immovable property of the Company.
- 13.2 from time to time the Company's loan obligations will be increased for the purpose of purchasing additional Sectional Title Units in St Ives Sectional Title Scheme No. 95/1987 refurbishing such Sections and furnishing them. Such increases shall be on the basis that:
- 13.2.1 the amount thereof will not exceed the actual cost to the Company of purchasing such additional Sectional Title Sections, refurbishing, and furnishing and equipping then for use as Timeshare Apartments;
  - 13.2.2 the purchase and refurbishing shall be effected by the Company and the holder of the Convertible Preference Shares as and when they may decided;
  - 13.2.3 the Company shall be entitled to obtain such funds as may be required by it for the purpose of the purchase and refurbishing referred to above by means of a First Mortgage Bond over the additional Sectional Title units purchased and/or increasing the existing Bond on registering a further Bond over the existing Units.
  - 13.2.4 For the purposes set out in 13.2.3 above and in order to comply with the provisions of Section 14, of the Shareblocks Control Act No. 1980as amended, the member hereby irrevocably and in rem suam nominates, constitutes and appoints the Chairman of the Company or his nominee as his Attorney and Agent and on his behalf to attend a meeting of the Company to increase its loan obligation and/or encumber the Units referred to above including, should this be necessary at any time, to increase or decrease the Share Capital of the Company.
  - 13.2.5 the Developer shall be entitled in its discretion to allocate shareblocks to the additional units in order to confer upon the holder of such shareblocks as timesharing interest or any other interest in respect of such additional units and the holders of the "A", "B" and "C" ordinary shares agree to the Developer so acting hereby irrevocably appointing the Developer as their agent to attend any general meeting of the company and to vote for a motion in terms of which such allocation is made or confirmed.

**14. THE COMPANY HEREBY WARRENTS:**

- 14.1 that the beneficial owner of all the Shareblocks in the Company as originally constituted, has concluded written Agreements of Use with the Company in respect of each Apartment in the Property, each of the Agreements being subject to the same terms and conditions as are herein contained except insofar as any variation thereto arises by virtue of Schedule "1" hereto;
- 14.2 the Company will not permit any amendment, addition or alteration of any Use Agreement pertaining to any Apartment in the Property without the prior written consent of not less than seventy five per centum (75%) in number of the Members of the Company for the time being.

**15. LEVY FUND**

- 15.1 The directors of the Company shall establish and the Managing Agent shall maintain a levy fund, to which end they shall from time to time make levies upon the Members of the Company in such amounts as are in their opinion sufficient for the repair, upkeep, control, management and administration of the Company and the Units, the movables therein, and any expenses or charges for all services made available to the premises or the occupiers thereof, including, without effecting the generality of the foregoing, telephone calls, transport, recreational and entertainment facilities. Such levies shall also include the amounts expended to maintain those portions of the property for which the individual Members are not personally liable, and levies due to the Body Corporate of St Ives and any other charges on the property and/or the Units, and any charges for the supply of electrical current, gas, water, fuel and sanitary and other services to the property for which individual members are not personally liable, and services required by the Company, for covering of any losses suffered by the Company, for the payment of any premiums of insurance and of all expenses incurred or to be incurred and for the discharge of any other obligation of the Company.
- 15.2 The Directors shall estimate the amount which shall be required by the Company to meet the aforesaid expenses during each operational year or any portion thereof, together with the estimated deficiency, if any, as may have resulted from the preceding operational year or portion thereof and any prior or future levies or other charges brought forward at any time by the Body Corporate of St Ives for payment by the Company and shall make a weekly levy upon the Members of the Company for the week/s during which he is entitled to the use thereof equal as nearly as is reasonably practicable to such estimated amount. The Directors may include such levies an amount to be held in reserve to meet any anticipated future expenditure for the

re-decoration or renovation of the Company's property, the Units and the movables therein or any part thereof. All such levies shall be payable to the Company annually in one lump sum within thirty (30) days of the managing Agent's written request therefore.

Notwithstanding the foregoing in the event that the Member is the Developer and the holder of the Convertible Ordinary Shares then in such event such levies in respect of such Convertible Ordinary Shares shall be payable quarterly in arrear commencing from the last day of the first month after the commencement of the operational year of the Company.

- 15.3 The Directors may from time to time make special levies upon the Members of the Company in respect of all such costs, expenses and requirements as are mentioned in 15.1 above and such levies may be made payable in one lump sum or by such instalments and at such times as the Directors shall think fit. The Member shall not be entitled to reclaim from the Company any amount paid by him as a contribution or special levy, but in the event of the member disposing of his Shares, the transferee thereof shall be entitled to any credit which may have accrued to the holder in terms of 15.2 and 15.3 above.
- 15.4 Notices shall be given in respect of levies payable by Members of the Company, and such notice shall be subject to the provisions relating to notices in the Articles of Association.
- 15.5 Any amount levied by the Member by way of a levy or instalment of a levy shall be a debt owed by the Member to the Company and shall be recoverable by the Company. The obligation of the member to pay a levy shall cease upon the lawful termination of the Member's rights of use, save that any arrear levies to the date of such termination shall nevertheless be recoverable from the Member.

No levies and no part of any levy paid by the Member shall be refundable by the Company on the termination of the Member's right of occupation.

- 15.6 It is recorded that the annual expenses of the Company which may arise in respect of and relate to any additional Units which the Convertible Preference Shareholder may acquire in St Ives Sectional Title Scheme shall be determined by the Company's Auditor and that all such expenses shall be for the account of the Convertible Preference Shareholder until such Preference Shares shall have been converted into Ordinary Shares.
- 15.7 Should the Member fall into the arrear with any levy obligation or part thereof or liability in terms of Clause 15.7.1 below, then without prejudice to any other rights the Company may have hereunder, the Member:
- 15.7.1 shall automatically become liable for and agrees to pay the Company such reasonable amount as the Directors in their discretion shall deem fit from time to time to compensate for any inconvenience and loss that the Directors or the Manager consider the Company may suffer be reason of such default together within interest on the amount of the levy obligation or relevant portion thereof reckoned from the due date thereof to date of payment at such rate of interest prescribed by the Directors from time to time but not exceeding the maximum permissible rate allowed from time to time by the Usury Act No 73 of 1968 as amended; and
- 15.7.2 shall not be entitled to gain admission to or use the premises nor derive any benefit whatsoever for the week/s until such time as he has paid all such arrears including interest and other charges.

## **16. LOAN OBLIGATIONS**

- 16.1 The Member is obliged to lend to the Company free of interest the amount allocated to the Shareblock in terms of Schedule "1" annexed hereto, which amount shall only be repayable by the Company at the option of the Company as the Company may from time to time elect, save that any such loans shall be repaid if the Company is wound up.

The decision of the Company as contemplated herein shall be determined by a resolution of at least seventy five per centum (75%) in number of the members of the Company, excluding from such Members the Shareblock Developer, having the right to vote at the relevant meeting and holding in the aggregate at least seventy five per centum (75%) of the total number of votes of all those Members, but excluding from such number of votes the votes held by the Shareblock Developer.

- 16.2 After the member has advanced the full amount of loan obligation as allocated to him, the Company shall upon the Member's request be obliged to furnish to the member a certificate or other evidence of the fact that the full amount has been advanced by the Company.
- 16.3 If the Company agrees to a Member advancing his loan to the Company by way of periodic instalments, the Members shall then be liable for and shall pay interest to the Company on the balance of the loan to be advanced by him, which interest shall be paid together with an additional to the periodic instalments aforesaid, the calculation and rate shall not be in excess of the method of calculation and rate of interest payable by the Company to the Mortgagee bond or should the Company not have a mortgage bond, then the method of calculation and maximum rate of interest shall be equal to above the prime rate of interest charged by FIRST NATIONAL BANK LIMITED. Any costs or charges incurred or raised by the Company from time to time in the collection of such instalments shall be charged to and paid by the Member. Likewise, any costs and fees incurred by the Company in renewing any existing bond or procuring funds to repay and portion of the Company's loan obligation shall be recoverable by the Company and paid by the Members of the Company pro rata to each Member's then indebtedness to the Company in terms of this Clause.
- 16.4 All monies paid by the Member to the Company in reduction to his loan obligation to the Company shall be applied by the Company from time to time as and when required for the sole purpose of redemption of the Company's loan obligation.

- 16.5 The Company may in its discretion make refunds to a member if funds are available in excess of the minimum sum required by the Company to meet its said loan obligation from time to time and provided that the total amount owed by the Company in respect of its loan obligation shall always be equal to the amounts remaining to be paid by Members of the Company.

Repayment by the member of such refund shall be paid to the Company upon such terms and conditions as may be arranged as the time between that Member and the Company.

**17. LIEN ON SHARES**

- 17.1 Save as provided in 17.6 below, the Company shall have a first lien upon every share for all amounts owed to it, including the costs of any proceedings instituted by the Company and whether the period for payment thereof shall have actually arrived or not.
- 17.2 For the purposes of enforcing such lien, the Directors may with the consent of any pledge Seller referred to in Clause 17.6 and to the provisions as to the approval of the Purchaser set out in the Articles of Association in relation to a transferee. No sale shall be made in terms of the Clause unless some sum is presently payable and has remained unpaid, notwithstanding fourteen (14) days' notice in writing to the Member, stating the amount of and demanding payment of such sum, and stating the Director's intention to sell, if payment is not made within the said period of fourteen (14) days.
- 17.3 The net of any such sale shall be applied in or towards satisfaction of the amount owed to any pledge Seller who may have consented to the sale and thereafter to the Company, and the balance (if any) shall, subject to the rights of any other aforementioned pledgee, be paid to the Member.
- 17.4 upon any such sale as aforesaid, the Directors may enter the Purchaser's name in the register as Member of the Company, and the Purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in relation to the sale.
- 17.5 Save as provided for in 17.6, an affidavit by a Director of or the Secretary of the Company that a share has been duly sold in accordance with 17.2 shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to such share or its proceeds, and such affidavit and the receipt of the Company for the purchase price of the share, shall constitute a good title to such share, and the validity of the sale may not be impeached by any person.
- 17.6 Notwithstanding anything to the contrary herein contained, the rights of the Company recorded in 17 shall be subordinated from time to time to the rights held nay any seller of any shares in the Company under pledge from the Purchaser thereof.

**18. CESSION OF LOANS ADVANCED BY MEMBERS**

In addition to the lien the Company has upon the Member's shares in terms of the preceding clause, moneys advanced from time to time by the Member to the Company shall be deemed to be ceded to the Company as security for the Member's outstanding obligations to the Company from time to time, such cession to be in the nature of a continuing covering security. The member's right, title and interest in and such advances, or any portion thereof, may not be ceded by the Member to any third party, for any reason whatsoever, without the prior written consent of the Company, save and except upon a sale by the member of his shares and loan account in the Company.

In the event of any such cession being effected with the consent of the Company, such cession shall nevertheless be of no force and effect as against the Company in the event of the Member committing a breach of his obligations entitling the company to enforce the provisions of 22 hereof, in which event any claim of the cessionary shall only be satisfied after all amounts owing to the company by the Member have been discharged. The Company shall, however, give the same notice to the cessionary in terms of 22 to enable the cessionary to remedy the Member's breach. Notwithstanding the Company's lien upon the Member's shares no shares shall be sold or disposed of without the Member's loan account, and likewise no loan account shall be sold or disposed of without the Member's shares.

**19. CESSION OF RIGHTS**

- 19.1 The member shall only be entitled to cede his rights herein:
- 19.1.1 to the transfer of the shareblock to which this use agreement is linked and together with the allocated loan;
- 19.1.2 simultaneously and together with the transfer of the shareblock unless the Directors agree to defer the transfer of the Shareblock.
- 19.1.3 Simultaneously and together with the cession to and acceptance and agreement of the transferee to be bound by all the Members' obligations to the Company hereunder and in terms of the articles of Association.
- 19.2 Any such cession and assignment shall be in such form and upon such conditions as the Company may from time to time stipulate.

**20. DOMICILIA**

- 20.1 the following addresses are hereby selected as the respective domicilia citandi et executandi for all purposes under this agreement in respect of the relevant parties:

- 20.1.1 **the Company at:**  
SEATIDE SHAREBLOCK COMPANY LIMITED  
1<sup>ST</sup> FLOOR WINDSOR HOUSE  
MARINR DRIVE  
MARGATE  
4275  
and a copy to the Developer at the address specified in Clause 20.1.2 below marked for the attention of the Managing Director;
- 20.1.2 **the Developer at:**  
SEASITE DEVELOPMENTS CC  
1<sup>ST</sup> FLOOR WINDSOR HOUSE  
MARINE DRIVE  
MARGATE  
4275
- 20.1.3 the holder at the relevant address for the time being recorded in the share register of the Company provided that is such address is not an address in the Republic of South Africa the holder's domiciliary address shall then be deemed to be the address of the property until such as the holder duly appoints an address pursuant to clause 20.2 below.
- 20.2 The holder may be written notice to the Company change his domiciliary address to another address in the Republic of South Africa not being a post office box number of poste restante at the expiration of not less than thirty days written notice dispatched by prepaid registered post to the Company and the Company and the Developer may be written notice, including advertisement in any publication sent to all holders, change their respective domiciliary addresses.
- 20.3 All notices delivered or sent by prepaid registered post by any party to the other shall be deemed to have been received at the time of delivery or on the fourth business day following the date of posting in the Republic of South Africa, as the case may be.

## **22. JURISDICTION**

Any proceedings hereunder may be instituted in the Magistrate's Court for the district of Margate notwithstanding that such proceedings may be beyond its jurisdiction and this clause is deemed to constitute the relevant consent in terms of Section 45 of the magistrate's Court Act.

## **23. TERMINATION**

This Agreement shall only remain in full force and effect and only in respect of the week/s for so long as the Member if the Member or beneficial Owner of a Shareblock or remains entitled to the transfer thereof, provided that:

- 22.1 should the holder or any person lawfully using or entitled to the use of the premises fail to vacate the premises or as the case may be, the property:
- 22.11 upon the conclusion or at the end of any week without first having secured the written consent of the Manager, unless the Member shall have validly concluded an arrangement to continue in use with or have obtained the consent of the Member entitled to the successive week or weeks and shall otherwise have complied with the relevant requirements of Clause 3 above;
- 22.2 should the holder commit any other breach of the provisions of this Agreement or of the Company's Articles of Association or of the concurrent Agreement of Sale in terms of which the holder acquired the Shareblock or of any of the management regulations made in terms of Clause 4 above and should the member fails to remedy such breach within seven days of the date of delivery by hand or posting by prepaid registered post of a written notice calling upon him to remedy the same;
- 22.3 in the event of the member committing or suffering the commission of any other breach of the said terms and conditions committing or suffering a repetition of such breach within a period of thirteen consecutive months after having been warned in writing by the Directors of the Manager to desist therefrom; or
- 22.4 should the holder:
- 22.4.1 commit or permit the commission of any offence or any contravention of any law which endangers or which may endanger the validity of any of activities conducted on the property;
- 22.4.2 cause any material damage to the premises or any other part of the property;
- 22.4.3 cause a nuisance to other occupiers of portions of the property from time to time;

- 22.4.4 commit or permit the commission of any act which places at risk the validity of any insurance policy over the property, the company shall be entitled notwithstanding any prior waiver in its part of any of its rights and without prejudice to any other rights it may have, to cancel the agreement forthwith; and
- 22.5 to obtain repossession of the said premises and for that purpose to take whatever may be necessary for the immediate ejection of the Member and/or other user from the said premises, without prejudice to the Company's rights to claim whatever monies may be owed to it, and such damage as the Company may sustain by reason of the member's breach of default, including legal expenses of whatever nature; and
- 22.6 without prejudice to the Company's right to sell and said Shareblock at any stage, the Company shall have the right as Agent for and on behalf of the Member and as a procurator in rem suam to hire out the use of the premises and to collect all consideration and monies payable by the hiring user in respect of his use thereof, and to deduct therefrom any monies whatsoever that may be owed by the Member firstly to the Company and thereafter to the person from whom the Member acquired the Shareblock; and
- 22.7 without prejudice to any other rights and without having to obtain the consent of any pledge Seller from whom the Member acquired the Shareblock, to sell the said Shareblock. The proceeds received by the Company from the said sale shall be applied firstly in reduction of any indebtedness of the member to the Company and thereafter to the person from whom the Member acquired the Shareblock, whilst any surplus shall be paid over to the Member who shall nevertheless remain responsible for any deficiency.

For all purposes of this agreement any act or omission on the part of any person entitled to the use of the premises or his invitee shall be deemed to be act or omission of the Member.

In pursuance of the Company's rights in terms of the forgoing provisions, the Company shall be entitled to give transfer of the share and cession of this agreement to the Purchase for and on behalf of the holder, who shall forthwith deliver his share certificate to the Company. In the event of a failure so to delivery, the Company shall be entitled to make the necessary entries of transfer in its register of Members and records without the share certificates being delivered to it and upon such entries being made, the defaulting holder shall cease to have any further rights hereunder and his share certificates shall be deemed to be cancelled and the purchaser shall be deemed to have good title.

### **23. MANAGEMENT REGULATIONS**

The member agrees that the Company's director insofar as it shall not be contrary to the provisions of this Agreement, shall be entitled at all times to lay down terms and conditions of occupancy and use, both in respect of the Apartment and of the Property generally including those relating to the use of radios, television sets and aerials, air conditioning, machines and other electrical appliances an apparatus, blinds and awnings and such other matters as the Directors deem fit, for the convenience and comfort and general well being of all the occupants of the Property and the appearance and management of the affairs of the Property, and from time to time to vary, alter or amend the same time.

Such terms and conditions shall only be binding upon the Company holding a majority of the issued shares of the Company for the time being, which ratification may be given either in writing or at a general meeting of the Company, and the Member has been given notice thereto. In the event of there being any conflict between such Management Regulations and this Agreement, the provisions of this Agreement shall prevail.

### **24. DAMAGE TO THE BUILDING**

Should the Property and/or the Apartment be destroyed by fire, the company agrees that it will as soon as is practicable repair and/or rebuild the same time. The Member shall have no claim against the Company by reason of the Apartment being unfit for occupation or for any other reason whatever. The Company, however reserves to itself the right to change or vary the form of construction of the Property or Apartment on such rebuilding or repairing, but the Member shall have the same accommodation as regards position and area of building enjoyed by him prior to destruction in such altered or varied construction.

In the event of any damage to the Property, whether by fire, accident or otherwise (other than interior damage to any portion of the Apartment for which the member is liable) which renders valueless or substantially reduces the value of any right or occupation of the Member, it shall be the duty of the Company to make good such damage as soon as is reasonably possible. There shall, however, be no obligation on the Company to compensate the Member for any loss or damage he may have sustained as a result of any loss of occupation or use resulting from such damage to the Property or the Apartment.

Notwithstanding the above, The Company shall not be bound to expend any more in fulfilling any of its said obligations than that sum which it may receive from its insurers arising from any of the aforesaid contingencies.

25.

No latitude, relaxation, indulgence or extension of time which may allowed to the Member in respect of any matter or thing which the Member is bound to perform or observe in terms hereof, shall under any circumstances be deemed to be a waiver of the Company's rights and the Company shall at all times be entitled to require strict and punctual compliance with each and every provision hereof.

26.

In the event that any provision of this Agreement conflicts with the Act or the Shareholders Control Act No.59 of 1980, the Act, or as the case may be, the Shareholders Control Act No.59 of 1980 shall prevail.

SIGNED by the COMPANY acting through its duly authorized officer at

\_\_\_\_\_this \_\_\_\_\_ day of \_\_\_\_\_

AS WITNESSES

1. \_\_\_\_\_

\_\_\_\_\_  
DIRECTOR  
for SEATIDE SHAREBLOCK COMPANY LIMITED

2. \_\_\_\_\_

**SEATIDE SHAREBLOCK COMPANY LIMITED**

Information required to be stated in terms of Section 17 (1) of the Shareblocks Control Act No. 59 of 1980

Address and Incorporation of the Company:

1.

HUGH STRICKLAND & CO  
 Nelson Mandela Drive  
 Port Shepstone, KwaZulu Natal

- 1.1 Address of registered office:  
 1<sup>ST</sup> Floor Margate Sands Business Centre  
 Marine Drive  
 Margate, KwaZulu Natal
- 1.2 Address of transfer office:  
 1<sup>ST</sup> Floor Margate Sands Business Centre  
 Marine Drive Marine Drive  
 Margate, KwaZulu Natal
- 1.3 Postal Address:  
 PO Box 653  
 Margate  
 4275
- 1.4 Date of Incorporation:  
 JUNE 1989
- 1.5 Address at which financial records are kept:  
 1<sup>ST</sup> Floor Margate Sands Business Centre  
 Marine Drive  
 Margate  
 4275
- 1.6 Name and address of holding Company (if any):  
 N/A

2.

| Name                             | Occupation  | Address                     |
|----------------------------------|-------------|-----------------------------|
| Willem Wouter Jacobus Viljoen    | Developer   | 12 Mare Vista, Ramsgate     |
| Millicent Viljoen Manageress     |             | 12 Mare Vista, Ramsgate     |
| Stuart John Lamont               | Businessman | Lot 217 Ulu Drive, Ramsgate |
| Louis Antonie Hansmeyer Attorney |             | 10 Corona Del Mar, Uvongo   |

- 2.2 The Chairman of the Company is: Patricia Ann Raab
- 2.3 The Managing Director of the Company is: N/A
- 2.4 All the directors of the Company are in South Africa.
- 2.5 The directors have been appointed for a year, which appointment terminates on the last day of the financial year of the company.
- 2.6 For as long as the directors are guarantors on behalf of the Company in favor of the Company's mortgagees, they shall have the right to appoint the majority number of the directors of the Company.
- 2.7 The directors have not in the past, and will not in the future receive any remuneration in their capacity as Directors.
- 2.8 The Secretary manages the Shareblock Scheme and money relating to the Shareblock Scheme is entrusted to the Secretary.
- 2.9 The borrowing power of the Company exercisable by the directors , and the manner in which such borrowing powers may be varied are set forth in Articles is annexed hereto marked Schedule "1". The borrowing powers exercisable by the directors are circumscribed by the provisions of Section 14 (1) of the Shareblocks Control Act No.59 of 1980.

3.

AUDITOR

- 3.1 Name : HUGH STRICKLAND & CO
- 3.2 Address : Nelson Mandela Drive, Port Shepstone, KwaZulu Natal

4.

SECRETARY

- 4.1 Name : STUART JOHN LAMONT
- 4.2 Address : FIRST RESORTS MANAGEMENT (PTY) LTD  
1<sup>ST</sup> Floor Margate Sands Business Centre  
Marine Drive  
Margate, 4275
- 4.3 Professional qualifications (if any):

5.

PROPERTY

- 5.1 See the Offer to Purchase to which this is an Annexure for:
- 5.1.1 the description and extent of the immovable property owned or leased by the Company;
  - 5.1.2 a description of the part of the immovable property which will be the subject of the right to use of the Purchaser.
  - 5.1.3 the date on which the Purchaser becomes entitled to such use
- 5.2 The Company owns the immovable property:
- 5.2.1 Name and address of Owner of leased property: Not applicable
  - 5.2.2 Copy of Lease annexed hereto: Not applicable
- 5.3 Details of Mortgage Bond:
- 5.3.1 name and Address of Mortgagees in respect of Mortgage Bond over the Company` s property:  
N/A.
  - 5.3.2 Registered capital amount of Mortgage Bond: N/A
  - 5.3.3 Duration of Mortgage Bond: N/A
  - 5.3.4 Annual rate of interest payable in respect of loan secured by Mortgage Bond: N/A
  - 5.3.5 Terms and conditions as to repayment of capital and interest : usual Building Society terms in respect of 1<sup>st</sup> Mortgage Bond over immovable property N/A
- 5.4 The Seller is not aware of any circumstances which will preclude the Opening of the Sectional Title Register in relation to the immovable property in respect of which the Shareblock Scheme is to be operated. A Sectional Title Register has been opened ST IVES No. 95/1987

6.

PARTIES TO THE CONTRACT

- 6.1 The names and addresses of the parties to the contract are set out in the Offer to Purchase to which this is annexed.

7.

SHARE WHICH IS SUBJECT TO THE CONTRACT

- 7.1 The share which is the subject of the contract is fully described in the Offer to Purchase.
- 7.2 Name and Address of the person in whose name the share is registered (such person not being the Seller) :
- 7.3 Number of shares held by the Shareblock developer at the date the contract is entered into:
- 7.4 Number of shares not held by the Shareblock Developer when the contract is entered into:



8.

PURCHASE PRICE – SET OUT IN OFFER TO PURCHASE

- 8.1 The amounts included in or payable in addition to the amount of the purchase price to be paid under the Contract, the manner in respect of which each such amount is to be paid, the annual rate at which interest, if any, is to be paid, the amounts in which the purchase price to be paid, the due date or the method of determining the due date of each payment and the places where the payments are to be made are all set out in the Offer to Purchase to which this is attached.

9.

CONDITIONS TO THE LEVY FUND

- 9.1 The amount of the contribution which, when the contract is entered into, is to be made in respect of the share which is the subject of the contract, for the benefit of the levy fund established by the Company for the purposes of the Shareblock scheme, is set out in the Offer to Purchase to which is attached.

10.

LOAN OBLIGATION OF THE COMPANY

- 10.1 The total amount of the Company's loan obligation as reflected in its financial statement at the end of the accounting period contemplated in Section 15 (5) and ended not more than nine (9) months before the date of contract;
- 10.2 The amount in terms of redemption of any loan compromised in the Company's loan obligation which at the date contemplated in 10.1 may be redeemed otherwise than in accordance with the resolution contemplated in section 14 (1) or upon the liquidation of the Company;
- 10.3 The annual rate of interest payable in respect of any such loan :19,75%
- 10.4 If the Seller is a member of the Company, the rights in relation to the loan obligation of the Company ceded by him to the Purchaser: These are fully set out in the Use Agreement which is Annexure "B" to the offer to Purchase.
- 10.5 The balance of the amount which the Purchaser is obliged to pay to the Company in relation to its loan obligation: In so far as it is possible to state this amount with any certainty, this is stated in the Offer to Purchase to which this is attached.

11.

INSURANCE

- 11.1 The immovable property owned by the Shareblock Company has been insured.
- 11.2 The name of the insurance company which has insured the immovable property:
- 11.3 The amount of the insurance cover:
- 11.4 The nature of the risks covered: COMPREHENSIVE.

12.

DOCUMENTS TO ACCOMPANY THE CONTRACT

- 12.1 Use Agreement- Annexure "C" hereto. The Seller is not aware of any material difference between Annexure "C" and any other such agreement between the Company and any member thereof having rights and obligations similar to those of the Purchaser.
- 12.2 Number of shares allocated in respect of each part of the Company's immovable property subject to a Use Agreement and amount each member of the Company is obliged to pay the Company in respect of each such part in respect of Company's loan obligations: See schedule 1 Use Agreement (Annexure "C" hereto)
- 12.3 Latest audited Financial Statements of the Company:
- Proforma attached to Offer to Purchase
- 12.4 Details of any material changes of which the seller is aware in the state of affairs of the Company since the date of the Annual Financial Statements referred to above: NIL
- 12.5 If any application in terms of the Sectional Title Act, No. 95 of 1986, has been or is to be made for the approval of a Sectional Plan in respect of the immovable property owned by the Company, the place where and the time when the relevant Sectional Plan may be inspected as and when it becomes available:

Registered Sectional Plan in respect of ST IVES No.95/1987 available for inspection at FIRST RESORTS MANAGEMENT (PTY) LTD, 1<sup>st</sup> Floor Margate Sands Business Centre, Marine Drive, Margate.

SEASITE DEVELOPMENTS CC

RESOLUTIONS OF MEMBERS PASSED AT DURBAN ON 28 JULY 1989

SEATIDE SHARE BLOCK COMPANY LIMITED:

Noted that 195 "A", 243 "B", 115 "C" and 647 Convertible Preference Shares, which had been subscribed for by the close corporation, will be allotted to the closed corporation at the first meeting of directors of the company which is to be held today.

Resolved that the closed corporation accept transfer of the balance of the authorized and issued share capital of the company into the name of the closed corporation, from the other subscribers to be memorandum of association.

Resolved further that William Aspden Horn be and he is hereby authorized to sign all any documents on behalf of the closed corporation to give effect to the aforementioned resolution.

Resolved further that William Aspden Horn be and he is hereby authorized to represent the close corporation at all shareholders' meetings of Seaside Shareblock Company Limited which may be held from time to time.

Resolved further that William Aspden Horn be and he is hereby authorized to sign all and any documents on behalf of the closed corporation, including the use agreements, which may be required in connection with the settings up of a time share scheme over the assets of Seaside Share Block Company Limited.

Resolved further that as and when the share blocks of Seaside Share Block Company Limited are sold by the closed corporation, William Aspden Horn be and he is hereby authorized to sign all and any other documents on behalf of the closed corporation, including the sale agreements, to give effect to the sales.

WA Horn

WWJ Viljoen

JL Steyn

F DA Silva

H S Coetzer

**INVENTORY OF MOVABLES**

LOUNGE/DINING AREA

Sleeper couch (Single in a 4 sleeper)  
Sleeper Couch (Double)  
Arm Chairs  
Coffee table  
Dining table  
Dining Chairs/Stools  
Television  
Television trolley  
Ashtrays  
Pictures

BEDROOM AREA/S

Double Bed  
Double Decker Beds  
Pedestals  
Stool  
Ashtrays  
Pictures  
Linen Quantities to match authorized occupancy

KITCHEN EQUIPMENT

Hob  
Refrigerator  
Microwave oven  
Kettle  
Pop up toaster  
Sundry kitchen utensils to permit cooking  
Crockery and Cutlery to match authorized occupancy