

GOLF RESORTS CLUB CONSTITUTION

1	NAME	as amended from time to time;
1.1	The name of the Club is Golf Resorts Club (S.A.)	2.2.11 "Conversion Agreement" an agreement in terms of which a Person agrees to transfer Accommodation to the Club in exchange for the issue to him of Unit Rights;
2.	DEFINITIONS	
2.1	In the interpretation of this Constitution, and unless contrary to or excluded by the subject or the context:	2.2.12 "Developer Company" any Person / company who is licensed by CLG from time to time to commercially utilize the Scheme and Scheme Methods by introducing Accommodation into the Scheme and to be issued with Unit Rights in the Scheme;
2.1.1	words signifying the singular number shall include the plural and vice versa;	
2.1.2	words signifying one gender only shall include the other;	2.2.13 "Developer Member" a Developer Company which has been issued Unit Rights in exchange for Accommodation introduced into the Scheme;
2.1.3	words denoting natural Persons shall include legal Persons and vice versa;	2.2.14 "Exchange Company" a company which performs exchanges of accommodation for the owner or holder thereof to enable such a Person to use alternative accommodation;
2.1.4	the headings and marginal notes of the Constitution are for reference purposes only and shall not be taken into account in construing these presents;	
2.2	In this Constitution and the Regulations the following words and expressions shall, unless the context otherwise requires, have the meanings assigned to them hereunder:	2.2.15 "Exchange Fee" the fee levied by an Exchange Company for the exchange of Occupancy Rights provided by the third party;
2.2.1	"Accommodation" Units or Use Rights;	2.2.16 "Financial Year" the Financial Year of the Club;
2.2.2	"Affiliation Agreement" An agreement between the Club and its affiliates with whom it has reciprocity entitling members to utilize their Unit rights and all benefits of membership;	2.2.17 "Founder Members" the founder members of the Club being the Persons who have been nominated as such by CLG;
2.2.3	"Annual General Meeting" the Annual General Meeting of the Club duly called and constituted or any adjournment thereof;	2.2.18 "Founder Member Trustee" Any Trustee appointed by the founder members pursuant to this Constitution;
2.2.4	"Auditors" the Auditors of the Club appointed in terms of the Constitution;	2.2.19 "General Meeting" the Annual General Meeting or other General Meeting of the Club, as the case may be;
2.2.5	"Board" the Board of Trustees of the Club as constituted from time to time;	2.2.20 "Intellectual Property Owner" CLG ("Club Leisure Group (Pty) Ltd"), or its nominee, assignee or successor in title;
2.2.6	"Chairman" the Chairman from time to time of the Board and, where appropriate, the Chairman of a committee as the case may be;	2.2.21 "Interest" interest at the maximum rate allowed by law or such other rate as may be specified by the Board from time to time whether before or after any judgment;
2.2.7	"CLG" Club Leisure Group (Proprietary) Limited, a company duly registered and incorporated according to the laws of the Republic of South Africa, whose registered office is No 1 Crompton Street, Pinetown, 3610, Kwa-Zulu Natal, Republic of South Africa;	2.2.22 "Management Agreement" the agreement with the Management Company from time to time in terms of which the Management Company manages the affairs of the Club;
2.2.8	"Club" Golf Resorts Club (SA);	2.2.23 "Management Company" CLM or such company appointed by the Trustees from time to time to undertake the management of the affairs of the Club and the administration of the Units system in accordance with the provisions of the Management Agreement;
2.2.9	"Entrance Fee" a fee charged by the Management Company to cover the costs of processing an application for Membership and the admission of the applicant as a Member;	2.2.24 "Member" an ordinary Member of the Club and such other Persons admitted into membership in terms of this Constitution;
2.2.10	"Constitution" this Constitution including the Regulations as amended from time to time;	

2.2.25	"Membership" Membership of the Club;		which may be amended or altered by the Board from time to time pursuant to this Constitution;
2.2.26	"Membership Certificate" a certificate issued to a Member pursuant to this Constitution, which also specifies his Unit Rights;	2.2.40	"Resort Accommodation Schedule" Accommodation referred to in the attachments hereto;
2.2.27	"Membership Register" the register of Members established in terms of this Constitution, which also indicates each Member's Unit Rights;	2.2.41	"Resort Levies" any sums which members are liable to pay to the Management Company (Provisional or otherwise), as determined by the Management Company, in accordance with this Constitution in respect of the Scheme or Scheme Accommodation including without limitation costs incurred by the Club and/or the Management Company and all estimated and actual expenditure of the Club and/or the Management Company, including any reservation fee, Resort maintenance fee, or such similar fee payable and including a fee determined by the Management Company from time to time in terms of the Management Agreement, in order to meet the annual operating expenses of the Club, including but without limiting the generality thereof, the costs of printing and stationery, postage, telephones, telefaxes, rentals, salaries and wages, royalties, advertising, insurance, traveling, professional's fees, interest, office equipment and any management fees;
2.2.28	"Notice" any Notice given in terms of this Constitution;		
2.2.29	"Occupancy Rights" the rights to the exclusive use and occupation of Scheme Accommodation for the duration of a Time Module subject to the Constitution;		
2.2.30	"Office" the registered Office of the Management Company of the Club;		
2.2.31	"Ordinary Resolution" a resolution passed by a simple majority of Members attending or represented by proxy and entitled to vote at a General Meeting;		
2.2.32	"Ordinary Member" Members who are not the Founder Member or Developer Members;	2.2.42	"Resort Rating and Demand" the rating of Resorts based on, but not limited to, their location, the quality of Accommodation and facilities and the demand therefore, as determined by the Intellectual Property Owner from time to time;
2.2.33	"Person" a natural or juristic Person;		
2.2.34	"Units" the Units in which the extent of a Member's Occupancy Rights are expressed;	2.2.43	"Scheme" the Scheme conducted in terms of this Constitution and Regulations in terms of which Accommodation at Resorts and/or other benefits that the CLG may introduce from time to time is made available for the use and/or occupation by Members of the Club;
2.2.35	"Units Ranking" the allocation of Units to a Time Module of the Scheme Accommodation depending on the size and quality of the Accommodation and the season and demand for the Time Module, as determined by CLG from time to time;	2.2.44	"Scheme Accommodation" Accommodation which is either owned by the Club or in respect of which Use Rights have been assigned to the Club and in respect of clause 12 of the regulations is "The Villa";
2.2.36	"Unit Rights" the right of a Member to be credited each Year with Units in accordance with the Membership Register;	2.2.45	"Scheme Methods" the methodology of operation of the Scheme including, without limitation, the methods, know-how, technology, systems, documentation, computer programmes, software, copyright, trade marks, trade names, patents and all other intellectual property relating to the conduct of the Scheme;
2.2.37	"Provisional Annual Levy" the amount determined by the Management Company to cover the estimated costs of the Resort Levies (maintenance of the Scheme Accommodation) and the management and administration costs incurred in the running of the Club and/or Management Company or otherwise which may arise as a result of the implementation of the Affiliation Agreement or the Scheme and Scheme Accommodation;	2.2.46	"Scheme Rights" CLG's rights in the Scheme Methods and its right to operate the Scheme, including the sole and exclusive right to introduce Accommodation into the Scheme and the right to grant licenses to Developer Companies to commercially utilize the Scheme and the Scheme Methods;
2.2.38	"Purchase Agreement" an agreement in such form not inconsistent with the Constitution as the Management Company may from time to time specify pursuant to which a Person applies to purchase Units from a Vendor Company acting as agent of a Developer Member conditional upon becoming a Member;	2.2.47	"Special Levy" any expenses actually and necessarily incurred or reasonably expected to be incurred by the Management Company/the Club which were not included, or not adequately provided for, in the Provisional Annual Levy and the Resort Levies;
2.2.39	"Regulations" such Regulations not inconsistent with the Constitution as are attached hereto and		

2.2.48	"Special Resolution" a resolution passed by a majority of not less than three fourths of the votes cast by Members at a General Meeting attending or represented by proxy and entitled to vote;	3.5	The Club does not have the object of carrying on any business that has for its object the acquisition of gain for itself or its members.
2.2.49	"Term Units" Units allocated to a Member for a limited duration in accordance with the provisions of this Constitution;	3.6	The Club is required to utilize its funds solely for the object for which it has been established.
2.2.50	"Time Module" a period of consecutive days during which Accommodation may be used and occupied;	3.7	The activities of the Club are to be wholly or mainly directed to the furtherance of its main objects.
2.2.51	"Time Period Priority" the grading of Accommodation by CLG according to the period of each Year when such Accommodation is available;	3.8	The Companies Act, 61 of 1973, shall not apply in respect to the Club.
2.2.52	"Trustee" a Trustee of the Club appointed in terms of this Constitution;	4	OBJECTS OF THE CLUB
2.2.53	"Unit" without limiting the generality of the term any accommodation, whether in or on movable or immovable property or a real or personal right to occupy such property;	4.1	The objects of the Club are:
2.2.54	"Use Rights" any rights of use and occupation of a Unit which are capable of assignment or are assigned to the Club but where the ownership or title to the Unit remains vested in the assignor of the rights;	4.1.1	To acquire interests in property ownership or use schemes or specific property or Accommodation including rights to occupy specific properties and Accommodation;
2.2.55	"Vacation Directory" a document issued by the Management Company, describing Accommodation in Resorts or other leisure Accommodation and/or other benefits, whether Scheme Accommodation or not or Accommodation which may be provided to a Member by CLG, and the Time Modules and Units Ranking of such Accommodation;	4.1.2	to secure for its Members joint rights of ownership of interests in property ownership or use schemes or specific property or Accommodation;
2.2.56	"Vendor Company" any Person who is appointed by a Developer Member as agent of the Developer Member to sell Unit Rights held to Developer Member's account by the Management Company;	4.1.3	to make available to its Members in any way or manner rights to occupy, use and enjoy specific properties or Accommodation;
2.2.57	"Year" a calendar Year.	4.1.4	to sell, lease, let, exchange or otherwise dispose of or grant occupancy and Use Rights in respect of such Accommodation;
3	LEGAL NATURE OF THE CLUB	4.1.5	to swap or exchange with Exchange Companies Accommodation for the use by Members;
3.1	The Club is a corporate body under the South African common law known as a universitas personarum	4.1.6	to receive all income arising from such property interests and Occupancy Rights and to receive monies from its Members and apply such income and monies as provided in the Constitution and Regulations from time to time;
3.2	The club has perpetual succession and:	4.1.7	to allow Members the right of first refusal to use specific Accommodation, subject to the terms and conditions of the Constitution and Regulations;
3.2.1	continues as an entity notwithstanding changes to its membership;	4.1.8	to carry on all activities connected to this Constitution or ancillary or complimentary thereto as determined by the Board of Trustees from time to time.
3.2.2	holds its assets distinct from its members.	5	POWERS
3.3	No member has any right, title or claim to the assets of the Club by reason of his membership.	5.1	The Powers of the Club which shall be exercised by the Board of Trustees, are;
3.4	The Club, and not its members, is responsible for the payment of its debts.	5.1.1	to perform any legal acts which a natural person of full legal capacity can perform including the entering into of any agreement or transactions of any kind whether of a commercial nature or otherwise subject only to the exclusion of certain powers as set out in the Constitution and Regulations.
		5.1.2	all the powers necessary as may be deemed incidental or conducive to the attainment of the objects or any of them of the Club.
		5.2	The powers of the Board of Trustees as set out in the Constitution, are merely illustrations of the powers of the Club, and shall not be interpreted as limiting the powers in anyway.

- 6 FUNDS
- 6.1 The Club shall obtain funds from the collection of Provisional Annual Levies, Resort Levies, Special Levies, Exchange Fees, rentals and other charges that may be raised by the Trustees in terms of the Constitution and Regulations and paid by the Members to the Club and/or Management Company.
- 6.2 Club funds may be used to pay the costs and running expenses of the Club including but without limiting the generality thereof, all operating expenses, resort levies, management fees, including reasonable payments to the Board of Trustees and agents.
- 6.3 Funds may be invested and accumulated for future use, but no portion of the funds or assets of the Club may be transferred by way of profits or dividends to any person or Member of the Club.
- 6.4 Any surplus funds of the Club at the end of any one year, are to be carried forward towards funding requirements of the Club in the following year.
7. MEMBERSHIP AND MEMBERSHIP CERTIFICATES
- 7.1 There shall be Founder Members, Developer Members and Ordinary Members.
- 7.2 Founder Members may cede and assign their rights and obligations in terms of the Constitution and Regulations to third parties.
- 7.3 Ordinary Members shall acquire Unit Rights entitling them to the use of Accommodation in accordance with the Constitution and Regulations.
- 7.4 All Members of the Club are bound by the Constitution and Regulations of the Club and any amendment thereof including the application for membership form, Purchase Agreement, Affiliation Agreement, Management Agreement, Conversion Agreement and any other documents, which shall be deemed to be part of this Constitution.
- 7.5 Persons applying for membership of the Club shall only become Members upon written acceptance of their application for membership by the Club.
- 7.6 On admission to Membership each Member's name shall immediately be entered in the Membership Register.
- 7.7 If a Member ceases to be a Member, his Unit Rights shall, unless otherwise provided for in the Constitution and Regulations, revert to the Developer Member which introduced the Scheme Accommodation into the Scheme in respect of which those Unit Rights were allocated. In the event that such Developer Company is no longer licensed by CLG or has ceased to exist, then the Unit Rights shall revert to the CLG, and the Board shall facilitate that, or ensure that the transfer is made.
- 7.8 The liability of a Member arising out of his membership of the Club shall not exceed the amount owing by him to the Club from time to time in respect of his arrear Annual Provisional Levies, Resort Levies, Special Levies, interest and any other amounts that may be due by him to the Club in terms of the Constitution.
- 8 UNIT RIGHTS
- 8.1 It is recorded that all the Scheme Rights vest in CLG and CLG shall have the sole and exclusive right to introduce Accommodation into the Scheme. CLG shall be entitled to sign all and any documentation on behalf of the Club in order to give effect to the introduction of Accommodation into the Scheme.
- 8.2 CLG shall have the sole and exclusive right to license Developer Companies thereby entitling them to sell or otherwise dispose of Unit Rights in accordance with the Constitution and the license granted to them by CLG.
- 8.3 The Club shall retain the Membership Register at the office of the Management Company and shall maintain a description of the nature, extent and duration of the Unit Rights allocated to and held by each Member.
- 8.4 Members are entitled to the use of the Scheme Accommodation from a date 90 (ninety) days after their application for membership has been approved by the Club and such use shall always be in terms of and subject to the Constitution and Regulations.
- 8.5 In addition to the use of the Scheme Accommodation in terms of 8.4 above, subject to the approval of the Trustees and subject to the Terms and Conditions of the Constitution and Scheme Regulations, Members may be granted the right of first refusal with regard to the use of the Time Module which the Member has in terms of a Conversion Agreement transferred ownership to the Club
- 8.6 Subject to the approval of the Trustees, and subject to the terms and conditions of the Constitution and Scheme Regulations, at the request of a Member, the Club may acquire a specific Time Module for that Member who shall thereafter be granted the right of first refusal with regard to the use thereof.
- 8.7 In the event that a Member acquires additional Unit Rights or disposes of only part of his Unit Rights, a new Membership Certificate shall be issued to him.
- 9 LIEN ON UNIT RIGHTS
- 9.1 Save as is provided herein, the Club shall have the first lien on each Member's Units for all amounts owed by the Member to the Club (including the cost of any action instituted by the Club), whether payment of such amount is yet due or not.
- 9.2 For the purpose of enforcing the Club's lien mentioned in 9.1 above, the Trustees may subject to clause 9.3, sell the Units at a time or times and in such manner and upon such terms and conditions as they may think fit. No sales shall be made in terms of this clause unless an amount is then payable and remains unpaid notwithstanding 14 (fourteen) days notice to the Member, stating the amount

and demanding payment of such an amount, and stating the Trustees intention to sell the Member's Units if payment has not been made within the said period of 14 (fourteen) days.

9.3 Should any Member's Units be subject to any pledge in respect of which the Club shall have received written notice and in respect of which the pledgee shall have a written acknowledgement from the Club, the Club shall give such pledgee 21 (twenty-one) days notice to the address furnished by the pledgee to the Club to remedy the breach of the Member, and failing timeous compliance, the Club shall be entitled to proceed with the sale.

9.4 Save as is provided herein, no pledgee shall have any prior claim against the Club save and except a licensed Developer from whom the defaulting Member acquired Unit Rights.

9.5 Subject to the provisions of clause 9.4 above, the net proceeds of any such sale shall firstly be applied in or towards the satisfaction of the amount owed by the Member to the Club, and the balance, if any, shall then be paid to a pledgee who has given the Club notice as provided for in 9.3 above, or the Member as the case may be.

9.6 Upon any such sale as aforesaid, the Trustees may enter the new Members name in the register of Members of the Club and the new Member shall not be bound to see to the application of the purchase money paid by him for the Units, nor shall his ownership of the Units be effected by any irregularities or any validity in the proceedings in relation to the sale.

9.7 An affidavit by a Trustee or the Director of the Management Company whose designation need not be proved, that the Units have been duly sold in accordance with this clause, shall be conclusive evidence of the fact therein stated as against all persons claiming to be entitled to such Units or its proceeds. Such affidavit, and the receipt of the Club for the purchase price of the Units, shall constitute good title to such Units and the validity of the sale may not be impeached or attached by such person.

10 GENERAL MEETINGS

10.1 The Club shall hold its first Annual General Meeting within 18 (eighteen) months after the date of its establishment and shall thereafter in each Year hold an Annual General Meeting; provided that not more than 15 (fifteen) months shall elapse between the date of one Annual General Meeting and that of the next and an Annual General Meeting shall be held within 9 (nine) months after the expiration of the Financial Year.

10.2 Other General Meetings of the Club may be held at any time when deemed necessary by the Board or if requested in writing by Ordinary Members holding not less than 20% (twenty percent) of the Unit Rights in the Scheme at such time. In such event, the Members calling for the meeting shall pay in advance to the Management Company, the reasonable cost of convening such meeting, as determined by the Management Company and at the meeting a resolution will be put to the vote on

the question of whether the Club shall reimburse such costs to the Members who called the meeting.

10.3 Annual General Meetings and other General Meetings shall be held at such time and place as the Board or the Club in General Meeting shall appoint.

10.4 The accidental omission to give notice of a meeting to, or the non-receipt of a notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

11 PROCEEDINGS AT GENERAL MEETINGS

11.1 An Annual General Meeting and a meeting called for the passing of a Special Resolution shall be called by not less than 21 (twenty-one) days' Notice in writing, and any other General Meeting shall be called by not less than 14 (fourteen) clear days' Notice in writing. The Notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting and, in the case of special business, the general nature of that business, and shall be given in the manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Club in General Meeting, to the Members; provided that a meeting of the Club shall, notwithstanding that it is called by shorter notice than that specified in this regulation, be deemed to have been duly called if it is so agreed by a majority holding not less than 95% (ninety-five percent) of the total voting rights (as set out in clause 12.5 for a poll) of all the Members.

11.2 No resolution for the dismissal of a Trustee or the removal of the auditor or any other resolution for an amendment of this Constitution shall have effect unless Notice of the intention to move it has been given to the Club not less than 35 (thirty five) days before the meeting at which it is moved, and the Club shall give its Members Notice of any such resolution at the same time and in the same manner as it gives Notice of such meeting not less than 21 (twenty one) days before the meeting.

11.3 The Annual General Meeting of the Club shall be called by the Board within 3 (three months) of the completion of the audited financial statements to;

11.3.1 approve the minutes of the previous annual general meeting;

11.3.2 receive a report from the Chairman of the Board of Trustees;

11.3.3 consider the audited annual financial statements for the previous year;

11.3.4 appoint auditors for the ensuing year and approve the auditors' remuneration;

11.3.5 receive a report from the managing agent;

11.3.6 consider and approve the Annual Provisional Resort Levies for the next year;

11.3.7 determine and approve the board of trustee's remuneration;

- 1.3.8 appoint the board of trustees for the next year;
- 11.3.9 consider any other business the board of trustees may deem necessary.
- 11.4 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 and save as herein otherwise provided 3 (three) Members present in person or by proxy shall constitute a quorum.
- 11.5 If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to a day not earlier than 7 (seven) days and not later than 21 (twenty-one) days after the date of the meeting. If at such adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the Members present in person or by proxy, shall be a quorum.
- 11.6 Where a meeting has been adjourned as aforesaid, the Club shall, upon a date not later than 3 (three) days after the adjournment send a written Notice to each Member of the Club stating:
- 11.6.1 the date, time and place to which the meeting has been adjourned;
- 11.6.2 the matter before the meeting when it was adjourned; and
- 11.6.3 the ground for the adjournment.
- 11.7 The Chairman, if any, of the Board of Trustees shall preside as Chairman at every General Meeting of the Club. If there is no Chairman, or if at any meeting he is not present within 15 (fifteen) minutes after the time appointed for holding the meeting or is unwilling to act as Chairman, the Trustees present shall choose one of their number to be Chairman. If no member of the Board of Trustees is present, then the Management Company shall nominate a Chairman and failing that, the members present may then elect a Chairman.
- 12 VOTES OF MEMBERS
- 12.1 At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman or a Member entitled to vote at the meeting.
- 12.2 Unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or lost 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.
- 12.3 Only those Members who are in good standing with the Club and have complied with all their obligations to the Club in terms of the Constitution and Regulations, including but not limited to the payment of Resort Levies (provisional or otherwise), Special Levies and other monies that may be due to the Club will be entitled to vote at any meeting.
- 12.4 A resolution in writing signed by all the Members who are at that stage entitled to receive Notice of, and to be present at and to vote at General Meetings, shall be as valid as a resolution adopted at a General Meeting of the Club which has been convened and held in the prescribed manner.
- 12.5 If a poll is duly demanded it shall be taken in such manner as the Chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. In computing the majority on the poll regard shall be had to the number of votes to which each Member is entitled under this Constitution. Scrutineers shall be appointed by the Chairman to declare the result of the poll, and their decision, which shall be given by the Chairman of the meeting, shall be deemed to be the resolution of the meeting at which the poll is demanded.
- 12.6 In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman shall be entitled to a second or casting vote.
- 12.7 A poll demanded on the election of a Chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the Chairman of the meeting directs. The demand for a poll shall not prevent the continuation of a meeting for the transaction of any business other than the question upon which the poll has been demanded.
- 12.8 On a show of hands every Member present in person or by proxy shall have one vote and on a poll every Member present in person or by proxy shall have one vote for each Unit Right of which he is the holder, provided that a Member shall not be entitled to vote if he is in breach of any of his obligations to pay the purchase consideration for Unit Rights, his Resort Levies (Provisional or otherwise), any Special Levy, or any other monies that may be due to the Club.
- 12.9 In the case of joint holders the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose seniority shall be determined by the order in which the names appear in the Membership Register.
- 12.10 On a show of hands and on a poll votes may be given either personally or by proxy.
- 12.11 Notwithstanding the provisions of this Constitution, no resolution of the Club with respect to the matters referred to hereunder shall be passed unless the CLG votes in favour thereof:
- 12.11.1 the amendment of this Constitution;
- 12.11.2 the appointment, variation or termination of appointment of the Management Company;
- 12.11.3 the termination of Membership of CLG and/or the Founder Members;
- 12.11.4 the winding-up and termination of the Club;
- 12.11.5 the variation, suspension or termination of the rights of CLG provided for in this Constitution;

- 12.11.6 the disposal of the major portion of the Club's assets;
- 12.11.7 the amendment of this clause 12.11.
- 13 PROXIES
- 13.1 The instrument appointing a proxy shall be in writing under the hand of the appointer or of his agent duly authorised in writing, or if the appointer is a body corporate, under the hand of an Officer or agent authorised by the body corporate. A proxy must be a Member of the Club and a Member may not appoint more than one proxy.
- 13.2 The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority shall be deposited at the offices of the Management Company at least 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 the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 6 (six) months from the date when it was signed and no proxy shall be used at an adjourned meeting which could not have been used at the original meeting.
- 14 TRUSTEES
- 14.1 The number of Trustees shall not be less than 2 (two) and not more than 5 (five). It shall not be necessary for a Trustee to be a Member of the Club.
- 14.2 The Founder Members shall be entitled to appoint up to a maximum of 2 (two) Trustees and the Ordinary Members shall be entitled to appoint up to a maximum of 3 (three) Trustees.
- 14.3 The Founder Members may at any time and from time to time by a memorandum signed by them appoint any person to be a Founder Member Trustee (but so that the number of Founder Member Trustees for the time being shall not be more than two) and may in like manner remove any Founder Member Trustee so appointed and appoint another in his place and may similarly fill any other vacancy in the Founder Member Trustees. Any such appointment or removal shall take effect at and from the time when the memorandum is lodged at the Office or produced at a meeting of the Trustees.
- 14.4 The remuneration of Trustees shall from time to time be determined by the Club in General Meeting, provided that the Trustees shall be compensated for all traveling and other expenses which they have reasonably incurred in the performance of their duties, which amount shall be included in the Subscriptions payable in terms of this Constitution.
- 14.5 Any memorandum of appointment or removal of a Trustee which is required to be signed by a corporate Member may be signed on its behalf by one of its Directors.
- 14.6 At every Annual General Meeting, the Trustees, other than the Founder Member Trustees, shall retire from Office but may stand for re-election.
- Any Member (other than an existing Trustee) standing for election as Trustee shall submit a short CV together with signed nominations from at least 2 (two) Members entitled to vote at a General Meeting to the Management Company of the Club at least 48 (forty eight) hours before the relevant General Meeting.
- 14.7 If the Club at the meeting at which a Trustee retires, does not fill the vacancy the retiring Trustee shall, if willing to act, be deemed to have been re-appointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the reappointment of the Trustee is put to the meeting and not supported.
- 14.8 The office of Trustee shall be vacated if the Trustee:
- 14.8.1 is prohibited by law from being a Trustee; or
- 14.8.2 is declared unfit to be a Director of a company; or
- 14.8.3 is sequestered or makes any arrangement or composition with his creditors generally; or
- 14.8.4 is, or may be, suffering from any mental disorder and either;
- 14.8.5 an order is made by a court having jurisdiction in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
- 14.8.6 resigns his office by Notice to the Club; or
- 14.8.7 is removed from office pursuant to this Constitution.
- 15 ALTERNATE TRUSTEES
- 15.1 Each Trustee shall have the power to nominate another person to act as alternate Trustee in his place during his absence or inability to act, and the appointment shall remain effective unless the Trustees decide to cancel the appointment at the next succeeding meeting (save that the Trustees may not cancel the appointment of an alternate Trustee who is a Trustee in his own right). On his appointment as such, the alternate Trustee shall, in all respects, be subject to all the conditions applicable to the other Trustees of the Club.
- 15.2 The alternate Trustees, whilst acting in the place of the Trustees who appointed them, shall exercise and discharge all the duties and functions of the Trustees they represent. The appointment of an alternate Trustee shall be cancelled and the alternate Trustee shall cease to hold Office whenever the Trustee who appointed him shall cease to be a Trustee.
- 15.3 An alternate Trustee:
- 15.3.1 is entitled to attend a meeting of Trustees or to act or to vote if the Trustee to whom he is an alternate is not present; provided that he may attend a meeting of the Trustees at which the Trustee to whom he is an alternate is present if the other Trustees agree to it:
- 15.3.2 is only entitled to sign a resolution which may

- lawfully and effectively be taken otherwise than at a meeting of Trustees in terms of the Constitution if the Trustee to whom he is an alternate is at that stage absent from the place where he is normally resident or is not able to act;
- 15.3.3 may subject to the foregoing in general exercise all the rights of the Trustee to whom he is an alternate in the absence or during the incapacity of that Trustee;
- 15.3.4 is in all respects subject to the terms and conditions pertaining to the appointment, the rights and duties and the occupation of the office of Trustee to whom he is an alternate, but is only entitled to such remuneration as the Trustees may decide in their discretion.
- 16 POWERS AND DUTIES OF THE TRUSTEES**
- 16.1 The business of the Club shall be managed by the Trustees. They may pay all expenses incurred in promoting and constituting the Club, and may exercise all such powers of the Club as are not by this Constitution required to be exercised by the Club at a General Meeting.
- 16.2 Without limiting the generality of the foregoing, the powers of the Trustees include, inter alia, the following:
- 16.2.1 to determine alter and amend the Regulations from time to time for the creation of different types of Membership, the reservation, occupation and use of Scheme Accommodation by Members, the provision of penalty and Interest charges in respect of late payment of any monies due by Members to the Management Company and/or the Property Company and all such other administrative matters as the Board may from time to time deem necessary or expedient;
- 16.2.2 to do all things necessary from time to time to enforce the Constitution of the Club and Regulations;
- 16.2.3 to borrow money in order to fulfill the objectives of the Club;
- 16.2.4 to invest and apply funds as they deem in the best interest of the Club;
- 16.2.5 to secure the repayment of monies borrowed for the Club by in such manner and upon such terms and conditions in all respects as they think fit, including any mortgage, charge or other security on the undertaking, on the whole or any part of the Scheme Accommodation, both present and future, subject to the provisions of the Constitution;
- 16.2.6 to delegate their powers or any of them, except the power to borrow money;
- 16.2.7 to enter into any agreement or arrangement of any kind, with any body or Person, in connection with the management and administration of the Scheme;
- 16.2.8 to impose a Special Levy from time to time when so required by the Management Company;
- 16.2.9 to bring or defend any legal or other proceedings;
- 16.2.10 to engage the services of professional people, agents, and brokers and pay their fees and remuneration;
- 16.2.11 to let Accommodation to Members and non Members of the Club;
- 16.2.12 to appoint a Management Company or such other agents on such terms as they approve;
- 16.2.13 to establish a Resort Levies fund and determine what amounts and on what basis the Members shall contribute to it;
- 16.2.14 to operate banking and similar accounts;
- 16.2.15 to authorise the release and use of funds;
- 16.2.16 to confirm with the Management Company, the Resort Levies payable by Members;
- 16.2.17 to cancel, suspend or vary the Unit Rights of any Member (other than the CLG) at any time who, in the reasonable opinion of the Trustees, (or where such powers have been delegated to the Management Company) has failed without good cause to pay any monies due to the Management Company or the Club on the due date or has failed to comply with his obligation under The Constitution of the Club;
- 16.2.18 generally to do all such things as are necessary for the furtherance of the objects of the Club, including the right to prohibit, restrict or control the use of the Scheme Accommodation or any part thereof from time to time and to approve the replacement of Scheme Accommodation and exchange of Units/Unit Rights for Accommodation Time Module(s).
- 16.3 The Trustees may from time to time entrust to or confer upon a Chairman such of the power and authorities vested in them as they may think fit, and may confer such powers and authorities for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they may think expedient. The Trustees may confer such powers and authorities of the Trustees and may from time to time revoke or vary all or any of such powers and authorities.
- 17 PROCEEDINGS OF TRUSTEES**
- 17.1 Subject to the provisions of the Constitution, the Trustees may regulate their proceedings as they think fit. Any 2 (two) Trustees may, call a meeting of the Trustees. Questions arising at a meeting shall be decided by a majority of votes, save that no Board resolution shall be passed without the support of at least 1 (one) Founder Member Trustee. In the case of an equality of votes, the Chairman shall have a second or casting vote.
- 17.2 The quorum for the transaction of the business of the Trustees shall be two (of whom one at least shall be a Founder Member Trustee).
- 17.3 The continuing Trustees or a sole continuing Trustee may act notwithstanding any vacancies in their number, but if the number of Trustees is less than the number fixed as the quorum, the continuing Trustees or Trustee may act only

- for the purpose of calling a General Meeting.
- 17.4 The Trustees shall appoint 1 (one) of the Founder Member Trustees to be the Chairman of the Board and may at any time remove him subject to a Founder Member Trustee always being appointed as Chairman of the Board. Unless he is unwilling to do so, the Trustee so appointed shall preside at every meeting of Trustees at which he is present.
- 17.5 All acts done by a meeting of Trustees, or of a committee of Trustees, or by a person acting as a Trustee shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any Trustee or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every person had been duly appointed and was qualified and had continued to be a Trustee and had been entitled to vote.
- 17.6 A resolution in writing signed by all the Trustees entitled to receive notice of a meeting of Trustees or of a committee of Trustees shall be as valid and effectual as if it had been passed at a meeting of Trustees duly convened and held and may consist of several documents in the like form each signed by one or more Trustees.
- 17.7 If a question arises at a meeting of Trustees or of a committee of two or more Trustees as to the right of a Trustee to vote, the question may, before the conclusion of the meeting, be referred to the Chairman of the meeting and his ruling in relation to any Trustee other than himself shall be final and conclusive.
- 17.8 A meeting of the Trustees or any committees thereof may, subject to notice thereof having been given in accordance with the Constitution, be for all purposes deemed to be held when Trustees are in simultaneous communication with each other by telephone or telefax or by any means of audio-visual communication and the number of Trustees participating in such communication constitutes the quorum of Trustees which would otherwise be required by the Constitution to be present at the meeting.
- 18 INDEMNITY
- 18.1 Subject to the provisions of the Constitution but without prejudice to any indemnity to which a Trustee may otherwise be entitled, every Trustee or other Officer or auditor of the Club is hereby indemnified out of the assets of the Club against all losses or liabilities which he may sustain or incur in or about the execution or discharge of the duties of his office or otherwise in relation thereto including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Club, unless such costs, losses or liabilities are caused by the willful default or fraudulent act of such person.
- 18.2 The indemnity referred to in clause 18.1 above, shall apply in favour of the Management Company appointed in terms of the Constitution.
- 18.3 The Members acknowledge that neither the Club nor the Management Company have control over the Resorts and therefore will not hold either company liable for any loss or damage that may occur whilst the Member or any of his party are using the Accommodation.
- 19 SECRETARY
- Subject to the provisions of the Constitution, a Secretary may be appointed by the Trustees for such term, at such remuneration and upon such conditions as they may think fit; and any Secretary so appointed may be removed by them.
- 20 MINUTES
- The Trustees shall cause minutes to be kept:
- 20.1 of all appointments of Officers;
- 20.2 of the names of Trustees present at each meeting of the Trustees; and
- 20.3 of all proceedings at all meetings of the Club and of the Trustees; and every Trustee present at a meeting of Trustees shall sign his name in a register kept for that purpose. Such minutes must be signed by the Chairman of the meeting at which the proceedings took place or by the Chairman of the next meeting.
- 21 ACCOUNTING RECORDS
- 21.1 The Trustees shall cause proper accounting records and books to be maintained relating to the affairs of the Club.
- 21.2 The accounting records shall be kept at the Office or at such other place or places as the Trustees think fit, and shall always be open to the inspection of the Trustees.
- 21.3 The Trustees shall from time to time determine whether and to what extent the accounting records of the Club or any of them shall be open to the inspection of Members not being Trustees. No Member (not being a Trustee) shall have any right of inspecting any accounting records or documents of the Club except as conferred by the Constitution or by the Club in General Meeting.
- 22 FINANCIAL STATEMENTS
- 22.1 The Trustees shall from time to time, in accordance with the Constitution, cause to be prepared and laid before the Club in General Meeting such annual financial statements (if any) as are referred to in the Constitution.
- 22.2 A copy of the financial statements, which are to be laid before the Club in Annual General Meeting, shall not less than 21 (twenty one) days before the date of the meeting be sent to every Member of the Club.
- 23 AUDITORS
- An auditor shall be appointed in accordance with the provisions of the Constitution.

24	NOTICES		
24.1	Any Notices to be given to or by any Person pursuant to the Constitution shall be in writing except that a Notice calling a meeting of the Trustees need not be in writing.		for Membership as its domicilium citandi et exectand for service upon it of all notices and process, wether in connection with any sum due to the Clb or otherwise.
24.2	The Club may give any Notice to a Member or Trustee either personally or by sending it by post in a prepaid envelope addressed to the Member or Trustee at his address recorded in the Membership Register or by leaving it at that address.		
24.3	A Member present, either in person or by proxy, at any meeting of the Club shall be deemed to have received Notice of the meeting and, where requisite, of the purposes for which it was called.		
24.4	Proof that an envelope containing a Notice was properly addressed, prepaid and posted shall be conclusive evidence that the Notice was given. A Notice shall be deemed to be given at the expiration of 7 (seven) days after the envelope containing it was posted.		
24.5	Any Notice given, if transmitted by telefax or email, shall be deemed to have been received by the Member/Trustee one day after dispatch.		
25	BREACH OF MEMBER'S OBLIGATIONS		
25.1	Should the Member fail to pay their Resort Levies (provisional or otherwise), Special Levy or any other amount due in terms of the Constitution and Regulations, or should the Member breach any of the terms of the Constitution and Regulations and remain in breach after having received 14 (fourteen) days written notice to remedy such breach, the Club shall have the right (without prejudice to any right available to it) to declare all amounts owing to the Club by the Member, to be immediately due and payable and to;		
25.1.1	institute legal proceedings for the full balance outstanding in a court in the jurisdictional area of the Club; or		
25.1.2	suspend the Member's right of use and occupation of Scheme Accommodation until all amounts due to the Club have been paid in full; or		
25.1.3	cancel the Member's membership of the Club which will result in the forfeiture by the Member of his right to the use of the Scheme Accommodation and shall entitle the Club to invoke the provisions of clause 9 above. In this event, the Member will not be entitled to any refund or compensation whatsoever of the Member's Resort Levies (provisional, special or otherwise) that have already been paid.		
25.1.4	Should the Member be handed over for collection to attorneys or a debt collection company, the Member should be liable to pay all costs (including attorney and client cost) as well as collection commision due to the debt collection company or attorneys. The Club has the right to list the Member with the credit bureau. The Member nominated its its physical address as reflected in the Terms and Conditions of the Application		
26	MANAGEMENT COMPANY		
26.1	The Board shall be entitled to appoint a Management Company to carry out all or any of its obligations in terms of the Constitution including, but without limiting the generality thereof, the determination of the Provisional Annual Levy, Resort Levies, any Special Levy and the preparation of budgets and reports on the affairs of the Club.		
26.2	In the event of a Management Company being appointed, the Board shall be responsible for determining and agreeing the terms and conditions of the Management Agreement.		
27	AMENDMENT		
			Subject to the provisions of clause 12.11, the provisions of the Constitution may be amended by a Special Resolution.
28	WINDING UP		
			If the Club be wound up, the assets remaining after payment of the debts and liabilities of the Club and the costs of the liquidation shall be applied as follows:
28.1			to repay to the Members the amounts paid up on the Unit Rights respectively held by (or on behalf of) each of them; and
28.2			the balance (if any) shall be distributed among the Members in proportion to the number of Unit Rights respectively held by (or on behalf of) each of them; provided that the provisions of this article shall be subject to the rights of the holders of Unit Rights (if any) issued upon special conditions.
29	WHOLE AGREEMENT		
29.1			The application for Membership and Purchase Agreement, Affiliation Agreement, Conversion Agreement, Constitution and Regulations constitute the entire agreement between a Member of the Club and the Club and only those variations which have been recorded in writing shall be binding upon them. It is agreed that in applying for membership of the Club no reliance was placed upon any representations or warranties other than those specifically included herein.
30	GENERAL		
30.1			No latitude, extension of time or other indulgence which may be given or allowed by the Club to any Member in respect of the performance of any obligations herein or the enforcement of any right arising from the Constitution and/or the membership in question and no single or partial exercise of any rights by the Club shall under any circumstances be construed to be an implied consent or operate as a waiver or a novation of, or otherwise affect any of the rights of the Club or stop the Club from enforcing, at any

time and without notice, strict and punctual compliance with each and every obligation of the Member.

30.2 Each of the clauses and sub-clauses contained in this Constitution shall, notwithstanding that they have been grouped together or linked grammatically, be separate, divisible and severable from each other so that if any such clause or sub-clause is or becomes unenforceable for any reason whatsoever, then that clause or sub-clause shall be severable and shall not effect the validity of any other clause or sub-clause contained in this Constitution.

We, the undersigned, the Founder Members hereby constitute the Club, of which this is the Constitution.

DATED AT PINETOWN THIS 18th DAY OF OCTOBER 2005.

Witnesses:

1. M. S.

2. J. K.

Witnesses:

1. M. S.

2. J. K.



Anthony Nicholas Ridl



Stuart John Lamont