I hereby certify that these Articles of Association which I have initialled for identification purposes, was adopted in substitution of the existing Articles of Association of the Company at an extraordinary general meeting of the Company held on 28 February 2012.

.....
Director

Form CM 44B

REPUBLIC OF NAMIBIA

COMPANIES ACT 2004

(Section 64) (Regulation 18(3))

ARTICLES OF ASSOCIATION

OF A COMPANY NOT HAVING SHARE CAPITAL

NOT ADOPTING SCHEDULE 1

NAME OF COMPANY:

THE ELISENHEIM OWNERS ASSOCIATION

(NON-PROFIT ASSOCIATION INCORPORATED UNDER SECTION 21)

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ELISENHEIM OWNERS ASSOCIATION

PLAIN-LANGUAGE SUMMARY OF THE ARTICLES OF ASSOCIATION

Purpose of this summary. This document highlights the key effect of each Article in simpler language for the convenience of members. It does not amend, replace or override the registered Articles. Where a legal or procedural question arises, the full wording of the registered Articles remains authoritative.

1. DEFINITION

Defines the principal words and expressions used throughout the Articles, including the Association, Developer, development period, approved extensions, common property, Home Owner, Member, Trustees, Representatives, Estate Manager, Design Review Committee and services. The development period continues until completion of the whole proposed Elisenheim development in accordance with the approved master plan or subsequent amendments. The annexures form part of the Articles.

3. COMMENCEMENT DATE AND STATUS

The Association is an independent legal entity established in terms of the Companies Act. It has perpetual succession, may sue and be sued, and operates on a non-profit basis for the benefit of its members. Its funds and assets belong to the Association and are controlled by the Trustees.

4. POWERS, OBJECTS AND RESPONSIBILITIES OF THE ASSOCIATION

The Association exists to manage and protect the collective interests of Elisenheim property owners. Its functions include management of common property, security, services, architectural and development controls, Estate Rules, compliance with township conditions and collection of levies. It may maintain and improve common facilities, employ staff, enter into contracts and impose ordinary or special levies. During the development period, the Developer is not obliged to pay levies.

5. MEMBERSHIP OF THE ASSOCIATION AND OF APPROVED EXTENSION

Membership is compulsory for every registered owner of an erf or sectional title unit. Membership starts automatically upon transfer into the owner's name and ends when ownership ceases, unless that person still owns another property at Elisenheim. A member is also a member of the approved extension in which the property is situated and cannot resign while remaining an owner. Joint owners collectively constitute one member and are jointly and severally responsible for obligations relating to the property. Members must comply with the Articles, Estate Rules, architectural guidelines and lawful directives.

6. FINANCIAL AND LEVIES

The Association must maintain a levy fund to finance Estate management, common property, security, services, administration and its other obligations. The Trustees must prepare a detailed annual budget, including provision for reserves and capital expenditure, before the AGM. Levies are determined from the Association's anticipated expenditure and may be differentiated or weighted where permitted by the Articles. Members must be advised of their levies in writing.

7. ENTRENCHED PROVISIONS

Certain provisions are specially protected. During the development period, Articles 7.1.1 to 7.1.8 may not be deleted or varied without the prior written consent of the Developer; thereafter amendment requires a Special Resolution. These provisions protect matters such as development rights, servitudes, access rights and approval of contractors, architects and estate agents.

8. RESPONSIBILITY FOR PAYMENT OF RATES, TAXES AND SERVICES

The Association is responsible for rates and taxes relating to common property. Individual erf owners are responsible for rates and taxes applicable to their own properties, while a sectional title body corporate is responsible for rates and taxes applicable to its scheme. Payment and provision of services are dealt with further in Article 9.

9. SERVICES

Regulates services such as water, electricity, sewerage and stormwater. Depending on whether infrastructure has been taken over by the City of Windhoek or remains under Association responsibility, the Council and/or Association may administer and

maintain these services. Owners must permit reasonable access where necessary for the installation, inspection, repair or maintenance of service infrastructure and servitudes. Costs incurred by the Association may be recovered through levies or service charges where permitted.

10. ARCHITECTURAL AND DEVELOPMENT GUIDELINES

The Architectural and Town Planning Design Manual forms an integral part of the Articles. Construction, additions, alterations, renovations and relevant landscaping may not commence without the required approval of the Design Review Committee and, where applicable, the Local Authority. Approved plans must be followed and deviations require further approval.

11. ESTATE RULES

The Trustees may formulate and enforce Estate Rules, Levy Rules, a Disciplinary Code and Security Rules. These may regulate matters such as conduct, nuisances, visitors, tenants, businesses, signage, estate agents, security and environmental matters. Rules and amendments to Rules require approval of members at an AGM. Members are responsible for ensuring that they have the current Rules.

12. TRUSTEES

The Association has a Board of five Trustees holding the portfolios of Chairperson, Vice-Chairperson, Finances, Security and Environment/Building Standards. During the development period, two are Member Trustees and three are Developer Trustees. After the development period, all Trustees are appointed by the members. A Trustee need not necessarily be an owner or member.

13. REMOVAL AND ROTATION OF TRUSTEES

Trustees generally serve until the second AGM following their election and may then stand for re-election. The Article sets out circumstances in which a Trustee vacates office and procedures for filling vacancies. During the development period, the Developer may remove and replace its own nominated Trustees.

14. POWERS OF TRUSTEES

The Trustees are responsible for the day-to-day governance and administration of the Association. Their powers include appointing management, enforcing the Articles and Rules, collecting levies, operating bank accounts, incurring approved expenditure, entering into contracts and appointing committees. Debt-recovery proceedings may be instituted by the Trustees. Other legal proceedings initiated by the Association generally require approval at an EGM by Special Resolution.

15. PROCEEDINGS AT MEETINGS OF TRUSTEES

A Trustee meeting normally requires three Trustees to constitute a quorum. During the development period, at least two Developer Trustees must be present. During that period, each Member Trustee has one vote and each Developer Trustee has three votes. The Articles also regulate adjournment, minutes and conduct of Trustee meetings.

15A. BOARD OF REPRESENTATIVES OF APPROVED EXTENSION

Each approved extension has a Board of five Representatives covering the portfolios of Chairperson, Vice-Chairperson, Finances, Security and Environment/Building Standards. During the development period, two Representatives are appointed by members of the extension and three by the Developer. After the development period, all Representatives are appointed by members of the relevant extension.

15B. REMOVAL AND ROTATION OF REPRESENTATIVES

Representatives generally serve until the second AGAEM following their election and may be re-elected. The Article sets out circumstances in which a Representative vacates office and the procedures for replacement. The Developer may replace its own Representatives during the development period.

15C. POWERS OF REPRESENTATIVES

The Board of Representatives represents the interests of its approved extension. It selects three Representatives to represent the extension at Association AGM and EGM meetings; during the development period, two of those three must be Developer Representatives. It may formulate Extension Rules, but an Extension Rule may not conflict with an Estate Rule.

15D. PROCEEDINGS AT MEETINGS OF REPRESENTATIVES

Regulates the quorum, voting, minutes and conduct of meetings of a Board of Representatives, including the special position of Developer Representatives during the development period.

16. MEMBERS MEETINGS

Distinguishes between meetings of an approved extension and meetings of the Association. Extension meetings include the GAEM, AGAEM and EGAEM; Association-wide meetings include the AGM and EGM. The AGM deals with matters such as the Chairperson's report, annual financial statements, budget, levies, auditors and Trustee appointments. The Articles also contain procedures for members to requisition extraordinary meetings.

17. PROXIES

A member may be represented by proxy at the relevant general meetings and the proxy need not be another member. The proxy must be in writing and signed. The original proxy must generally be delivered by 17h00 on the last business day before the meeting. Companies, close corporations, trusts and other juristic persons must lodge the required authorising resolution.

18. RESOLUTIONS

Every motion must be proposed and seconded. An ordinary resolution is generally carried by a simple majority. A Special Resolution generally requires 75% of the votes of members in good standing present in person or by proxy, subject to any stricter requirement applicable to a particular matter. Amendments to the Articles themselves are governed specifically by Article 26.

19. VOTING RIGHTS OF MEMBERS

At approved-extension meetings, a member in good standing generally has one vote for each erf registered in that member's name, subject to the specific provisions relating to co-owners and sectional title schemes. At Association AGM and EGM meetings, voting is exercised by the Representatives elected to represent the approved extensions. Voting entitlement is linked to good standing under the Articles.

20. ACCOUNTING RECORDS

The Association must maintain proper accounting records and prepare financial statements in accordance with the Companies Act. Audited annual financial statements to be presented at the AGM must be available to members at the Estate Manager's office at least seven days before the AGM. Access to underlying accounting records is subject to the Companies Act and procedures determined by the Trustees.

21. SERVICE OF NOTICES

Regulates how notices are given and who is entitled to receive them. Extension meeting notices are given to members of the relevant extension, while AGM and EGM notices are given to members of the Association and the auditors. The Article also explains how prescribed notice periods are calculated.

22. INDEMNITY

Trustees, Representatives, employees, management, agents and committee members are indemnified by the Association in respect of bona fide acts and reasonable liabilities incurred while properly carrying out their duties. Members in turn indemnify the Association against certain losses or claims arising from unlawful conduct, negligence or breaches by themselves or persons for whom they are responsible. The Trustees may arrange appropriate insurance.

23. GENERAL

The Association may require an owner to remedy an unsightly or detrimental condition on a property and, after proper notice, may undertake the work itself and recover the cost. Buildings and improvements are to be completed within two years after first registration unless an extension is granted. The Association may contract third parties for facilities and services and recover related charges from members.

24. DISPUTES

Disputes between a member and the Trustees or a Board of Representatives concerning interpretation of the Articles, or rights and obligations under them, are subject to a specific dispute-resolution procedure. The dispute must first be notified in writing. If unresolved after 14 days, it may be referred to a suitably qualified independent expert. Urgent court relief remains available where appropriate.

25. ESTATE MANAGER

During the development period, the Developer may appoint the Estate Manager; thereafter that power rests with the Trustees. The Estate Manager may be entrusted with management and administration of the Estate and common property, including collection of levies and other delegated responsibilities.

26. AMENDMENT

During the development period, the Developer has significant rights regarding amendments and may veto a proposed amendment where there is a reasonable apprehension that it could detrimentally affect completion of the development in accordance with its development plans. Subject to Article 26.1, every amendment requires approval of at least 75% of the total number of votes allocated to members of the Association at a general meeting called specifically for that purpose, and the meeting notice must set out the proposed amendment in specific terms. The Developer may not vary provisions relating to qualification for membership, proportionate levy liability or members' voting rights.

27. WINDING-UP OF ASSOCIATION

If the Association is wound up, its remaining assets must pass to another corporation with similar aims and objects as determined by the members. They are not distributed amongst individual members.

28. REPAIR, UPKEEP, ADMINISTRATION, MANAGEMENT AND CONTROL OF THE TOWNSHIP

This Article contains detailed provisions regulating the physical appearance, maintenance, use, services, access, security and common facilities of the Estate.

28.1 Building and Improvements

Items or alterations visible externally may not be placed on or attached to a building or structure without the required consent of the Design Review Committee.

28.2 Landscaping

Landscaping, planting, removal of vegetation, fences, walls and similar work are subject to the Rules and, where required, prior written consent of the Design Review Committee.

28.3 Provision of Services

The Association may contract with service providers for services required within the Estate, subject to the Articles.

28.4 Open Spaces and Rights of Access

Owners are entitled to use common facilities subject to the Articles, Estate Rules and applicable Extension Rules.

28.5 Occupation and use of Erven or Units

Properties must be occupied and used in accordance with the Articles and Rules. Illegal, improper or nuisance-causing use is prohibited. The Trustees may, where permitted by the Articles, deny access to non-members who breach applicable requirements.

28.6 Services

Members consent to reasonable access and to the installation, maintenance and repair of services where required for the functioning of the Estate, with inconvenience to owners kept as low as reasonably possible.

28.7 Security of the Village

The Association manages Estate security, but the Articles expressly provide that the Association does not guarantee that security measures will prevent every incident and contains limitations of liability in this regard.

28.8 Maintenance of Open Spaces and Public Road Verges

The Association is responsible for the maintenance, upkeep and repair of the common facilities for which it bears responsibility.

29. LIMITATIONS WITH REGARD TO SERVICES

Certain services, including waste management, broadband and communications infrastructure, and security services, are intended to be provided on a standardised basis by service providers nominated or approved in accordance with the Articles, provided an acceptable standard is maintained.

30. ARTICLES BINDING ON INVITEES

The obligations and restrictions in the Articles also apply to guests and invitees as though they were members. Owners therefore carry responsibility for persons whom they permit onto the Estate.

31. RESTRICTIONS IN FAVOUR OF LOCAL AUTHORITY

The Association may not be deregistered without the prior written consent of the Local Authority. The Local Authority must also be permitted access where required for installation, provision or maintenance of services and infrastructure falling within its responsibility.

32. ENFORCEMENT OF OBLIGATIONS OF MEMBERS

If a member, guest or invitee fails to comply with an obligation after being called upon to do so, the Association may take the necessary steps to procure compliance. Costs incurred may be recovered from the member and treated as part of the levy debt.

33. DISCLAIMER RESPONSIBILITY

The Articles contain broad provisions limiting the Association's liability for injury, property loss, theft and similar events within the Estate. Members also indemnify the Association in respect of certain claims arising through themselves and persons for whom they are responsible. These provisions do not relieve members of the obligation to pay amounts properly due.

34. CONFLICTING PROVISIONS

Where there is a conflict between the Articles and the Estate Rules, Extension Rules, agreements of sale or title conditions, the Articles of Association prevail.

IMPORTANT NOTE
This summary is intended as an easy-reference guide only. It does not amend, replace or override the registered Articles of Association. If there is any difference between this summary and the registered Articles, the registered Articles remain authoritative.