

MEMORANDUM OF AGREEMENT ENTERED INTO BETWEEN**BERGRIVIER MUNICIPALITY**

(Hereinafter referred to as the "municipality")

AND

PORT OWEN MARINA AUTHORITY

(Hereinafter referred to as "POMA")

Whereas the municipality owns certain erven comprising the waterways, private open spaces, parking areas and servitudes within the Port Owen development, and which, together with the improvements thereon are referred to in the context of this agreement as the marina;

Whereas the municipality desires to maintain its assets but does not have the capacity to do so;

Whereas POMA leases certain of these assets from the municipality with the purpose of maintaining these assets and administering and controlling the boating activities taking place thereon, together with all ancillary facilities; and

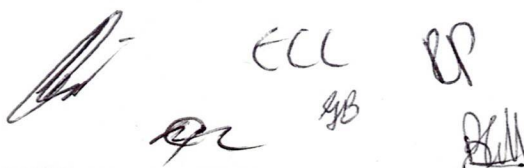
Whereas the Municipality is one of the members of POMA and has representation on the board of directors of POMA;

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:**1. DEFINITIONS**

In this agreement, unless a contrary intention clearly appears:

1.1 Words importing:

- a) any one gender includes the other gender;
- b) the singular includes the plural and vice versa; and
- c) natural persons include created entities (corporate or non-corporate) and vice versa;

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1.2 The following terms shall have the meanings assigned to them hereunder and cognate expressions shall have corresponding meanings:-

"accounting officer" means the municipal manager of the municipality;

"agreement" means this document together with any annexure thereto;

"effective date" means the last date of signature of this agreement by the parties;

"financial year" means the period from the 1st day of July of any one year to 30th day of June of the next year, this being the financial year of both parties;

"leased property" means the property leased to POMA by the Municipality in terms of the lease agreement of November 2000 and any addendum thereto;

"marina" means the erven comprising the waterways, private open spaces connected thereto, parking areas and servitudes within the Port Owen development owned by the municipality and leased to POMA, together with all improvements thereon such as jetties, walkways, slipway, etc., which collectively comprise a facility for the use of boat owners;

"month" means a calendar month, and more specifically:

- (a) in reference to a number of months from a specific date, a calendar month commencing on that date or the same date of any subsequent month; and
- (b) in any other context, a month of the calendar, that is, one of the 12 months of the calendar, and "monthly" has a corresponding meaning;

"the parties" means the municipality and POMA;

"private open spaces" means the private open spaces directly connected to the waterways, excluding those on Admiral Island and Pelican Bay, but including the parking areas and servitudes which form part of the leased property;

"waterways" means the erven comprising the main basin and the loop canal which are normally covered by water and which form part of the leased property, being erven 923, 1974, and such other erven as may be agreed between the parties from time to time.

1.3 When any number of days is prescribed in this agreement, it shall be reckoned exclusively of the first and inclusively of the last day;

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1.4 Where figures are referred to in numerals and in words, if there is any conflict between the two, the words shall prevail.

2. DURATION

This agreement will come into effect upon the effective date and shall, unless otherwise provided for in this agreement, remain in force for a period of three (3) years. It may by mutual consent be renewed or revised from time to time as necessary.

3. RIGHTS, DUTIES AND OBLIGATIONS OF POMA

3.1 POMA will be responsible for maintaining, managing and controlling all waterways at the marina, together with all ancillary facilities including private open spaces adjacent to the waterways, and administering and controlling the boating activities taking place thereon.

3.2 Pursuant to its maintenance obligations, POMA undertakes, subject to the financial means at its disposal, to execute the following maintenance work:-

- a) Dredging of the waterways to facilitate the passage of vessels;
- b) Repair of walkways and pathways;
- c) Repair of slipway;
- d) Repair of retaining walls and embankment supports;
- e) Maintenance, repair and renovation of jetties;
- f) Maintenance of navigation aids, lighthouses, buoys, etc within the marina;
- g) Care of private open spaces forming part of the leased property;
- h) Repair and replacement of lights, electrical installation and water reticulation located on the leased property; and
- i) Maintenance of brick paved parking areas and servitudes on the leased property.

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3.3 POMA shall be entitled to the benefit of all income-earning activities that may be derived from the leased property comprising the waterways and private open spaces.

3.4 POMA shall be entitled to charge such reasonable fees as may be determined by the Board of Directors from time to time for the berthing of vessels, the use of jetties and slipways, the placement of private jetties in the waterways, the use of private open spaces and other services.

3.5 It is noted that, in terms of the original lease agreement, the Timeshare Companies and their invitees will have free use of the slipway, in return for which they undertake to maintain the jetties and embankment supports adjacent to their properties. This undertaking shall not detract from POMA's responsibilities in this regard.

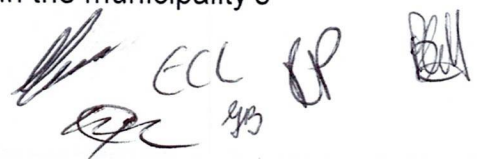
3.6 POMA shall procure all licenses and permits that may be necessary for the conduct of its business and shall ensure due compliance with all laws relating thereto.

3.7 POMA declares that it has the capacity and agrees-

- a) for the period of the agreement to comply with all reporting, financial management and auditing requirements as may be stipulated in this agreement;
- b) to submit its audited financial statements for its financial year to the accounting officer promptly; and
- c) to implement effective, efficient and transparent financial management and internal control systems to guard against fraud, theft and financial mismanagement.

4 RIGHTS, DUTIES AND OBLIGATIONS OF THE MUNICIPALITY

4.1 The municipality undertakes to contribute an amount per year towards the cost of maintenance, which amount shall be approved in the municipality's

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annual budget and transferred to POMA, subject to the conditions of this agreement and the original lease where applicable.

- 4.2 Before transferring funds of the municipality to POMA, the accounting officer may take all reasonable steps to satisfy him or herself that POMA:-
- a) has the capacity and has agreed to comply with clause 3.7 above.
 - b) has in respect of previous similar transfers complied with all the requirements of clause 3.7

4.3 If there has been a failure by POMA to comply with the requirements of clause 3.7 in respect of a previous transfer, the municipality may, despite clause 4.2(b), make a further transfer to POMA provided that-

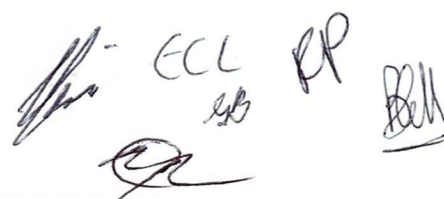
- (a) clause 3.7 is complied with; and
- (b) the provincial treasury has approved the transfer.

4.4 Any authorized person of the municipality may at all reasonable times enter upon or inspect the marina in order to satisfy himself that the terms of this agreement are properly observed and carried out and POMA undertakes to afford such person all reasonable access and facilities for such inspection. Such person, whilst making use of the said facilities, shall be bound to comply with all safety-regulations laid down by POMA.

5. FUNDING

5.1 In January of each year, POMA shall present to the municipality a complete income and expenditure budget and a cash-flow budget detailing the cost of the maintenance works to be undertaken during the forthcoming financial year, together with the anticipated funds it will have available to meet these costs.

5.2 The amount of the grant to POMA by the municipality will be reviewed annually once the budgets referred to in clause 5.1 have been agreed by both parties.

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5.3 Subject to paragraph 4.2, the municipality will make bi-annual payments to POMA according to the cash flow budget submitted by POMA or upon dates agreed by both parties.

6. GENERAL

6.1 In the implementation of this agreement, the parties undertake to act in good faith and warrant that in their dealings with each other they shall not do anything or refrain from doing anything which might prejudice or detract from their rights, assets or interest or each other in terms of this agreement.

SIGNED at Piketberg this 12 day of
January 2010

AS WITNESSES:

1. Pieterse EC Liebenberg
MUNICIPAL MANAGER

2. Brand

SIGNED at VELDDRIE this 20TH day of
JANUARY 2010

AS WITNESSES:

1. [Signature] [Signature]
POMA CHAIRPERSON

2. [Signature]