

BAHAMA ISLANDS

New Providence
The Companies Act
Company Limited by Shares
No. 11,508/67

MEMORANDUM
AND
ARTICLES OF ASSOCIATION
OF
BEACH VILLA OWNERS ASSOCIATION LIMITED

Incorporated the 14th day of July, A.D. 1967

(new page)

BAHAMA ISLANDS
New Providence

I, Ignatius Carroll of the Island of New Providence Clerk declare and say that I was present and saw Geoffrey Adams Dinwoodie Johnstone

Lennox McLean Paton
Beverley Anne Honess
Jack Alexander Moree
Ruth Yvonne Roberts

All of the Island of New Providence aforesaid sign the attached Memorandum and Articles of Association for the purposes therein mentioned; and that I subscribe my name as the witness to the due execution thereof.

Declared this 14th day of July A.D., 1967)
Before me,

(Sgd) Ignatius Carroll

(sgd) Mervyn Johnson
NOTARY PUBLIC

(new page)

ARTICLES OF ASSOCIATION
OF
BEACH VILLA OWNERS ASSOCIATION LIMITED

1. In the interpretation of these presents, unless there be something in the Subject or context inconsistent therewith:

“Special Resolution” and “Extraordinary Resolution” have the meanings assigned thereto respective by The Companies Act.

“The Directors” means the Directors for the time being.

“The Office” means the registered office for the time being of the Company;

“The Register” means the register of members to be kept pursuant to Section Twenty-two of The Companies Act’

“Month” means calendar month;

“In writing” and “Written” include printing, lithography and other modes of representing or reproducing words in a visible form;

Words importing the singular number only include the plural number and vice Versa;

Words importing persons include corporations.

2. In addition to the Registered Office of the Company in the Colony, the Company may have an office for the transaction of business at any other place, and meetings of the Company or of the Directors may be held either within or without the Colony and, if without the Colony, at such place as the Directors may determine.

3. The business of the Company may be commenced as soon after the incorporation of the Company as the Directors shall think fit and notwithstanding that part only of the shares may have been allotted.

SHARES

4. All the certificates of title to shares in the Company shall be numbered in regular series.

5. None of the funds of the Company shall be employed in the purchase of, or lent on, shares of the Company.

6. No shares in the Association may be held by any person other than subscribers to the Memorandum of Association unless such person shall be the owner of a lot or part of a lot comprised in the Beach Villa Subdivision Blocks 165 and 166 at Treasure Cay in the Island of Abaco, one of the Bahama Islands (hereinafter called “the Subdivision”). Block 165 contains 32 lots, Lots 1 to 28 being internal lots and Lots 29 to 32 being beach lots. The owner of each beach lot shall hold three shares. The owner of each internal lot shall hold two shares but if he shall transfer one half (or thereabouts) of his lot, he shall transfer to the transferee one share. Joint owners shall hold such share or shares jointly and their names shall be entered in the Register of Members in the order appearing in the conveyance to them of such lot or part of such lot.

CERTIFICATES

7. The certificates of title to shares shall be issued under the seal of the Company and signed by the President or a Vice President and countersigned by the Secretary or some other person appointed by the Directors.

8. Every member shall be entitled to one certificate for all the shares registered in his name, or to several certificates, each for one or more of such shares. Every certificate of shares shall specify the number and denoting numbers of the shares in respect of which it is issued and the amount paid up thereon.

TRANSFER AND TRANSMISSION OF SHARES

9. The instrument of transfer of any share in the Company shall be executed both by the transferor and the transferee and the transferor shall be deemed to remain a holder of such share until the name of the transferee is entered in the register in respect hereof.

10. Shares in the Company may be transferred in any form which the Directors may think fit to register. No share shall be transferred to any person who is not qualified to hold a share under Article 6 hereof.

11. Upon the conveyance of any lot or half lot in the Subdivision for an estate in fee simple the grantor shall transfer the shares or share in respect of that lot or half lot to the grantee. The price payable upon the transfer of a share or shares shall in default of agreement be the nominal value thereof. If the retiring member shall refuse or neglect to transfer his share or shares the Association may authorize any director to execute, complete and deliver on behalf of and as attorney for the retiring member any necessary transfer. The Association shall register such transfer and receive and give a good discharge for the purchase money which the Association shall hold in trust for the retiring member.

12. Any person becoming entitled to a share or shares in consequence of the death or bankruptcy of any member shall subject to Article 1 hereof be entitled to be registered as a member in respect of that share or shares or may transfer such share or shares to the person becoming owner of the lot or half lot in the subdivision in respect of which such share or shares were allotted.

13. Every instrument of transfer shall be left at the office for registration, accompanied by the certificate of the shares to be transferred, and such other evidence as the Directors may require to prove the title of the transferor of his right to transfer the shares.

BORROWING POWERS

14. The Directors may from time to time at their discretion raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.

15. The Directors may raise or secure the payment or repayment of such moneys in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds, debentures or debenture stock, notes or other obligations of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being.

GENERAL MEETINGS

16. The first general meeting shall be held at such time (not being more than four months after the registration of the Company) as the Directors may determine and at such place as may be prescribed by the Directors.

17. Subsequent general meetings shall be held in each and every year at such time and place as may be prescribed by the Directors. At these meetings the Annual Report of the Directors shall be presented, the Directors elected for the ensuing year (subject nevertheless to the provisions of Article 36 hereof) and the general business of the Company transacted.

18. The above mentioned general meetings shall be called ordinary meetings, all other meetings of the Company shall be called extraordinary meetings.

19. The Directors may, whenever they think fit, convene an extraordinary meeting.

20. Three clear days' notice at the least of any meeting, specifying the place, the day and hour of the meeting and, in case of special business, the general nature of such business, shall be given to the members in manner hereinafter mentioned or in such manner, if any, as may be prescribed by the company in general meeting; but the non-receipt of such notice by any member shall not invalidate the proceedings at any meeting.

21. All business shall be deemed to be special that is transacted at any extraordinary meeting, and all that is transacted at an ordinary meeting, with the exception of sanctioning a dividend and the consideration of the accounts balance sheets and the ordinary report of the Directors and Auditors.

22. When all the shareholders in person or by proxy sign the minutes of an ordinary or extraordinary meeting the same shall be deemed to have been duly held notwithstanding that the members have not actually come together or that there may have been technical defects in the proceedings. And a resolution in writing signed by all the shareholders shall be as valid and effectual as if it had been passed at a meeting of the shareholders duly called and constituted.

PROCEEDINGS AT GENERAL MEETINGS

23. No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, except to declare a dividend or to elect officers or directors or take measures to obtain a quorum.

24. A quorum shall consist of any Ten (10) or more members represented in person or by proxy.

25. The President or a Vice-President shall preside as chairman at every general meeting of the Company. In their absence the members present shall choose some one of their number to be Chairman.

26. The Chairman may, with the consent of the meeting adjourn any meeting, from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

27. Every question submitted to a meeting shall be decided in the first instance, by a show of hands, and in the case of an equality of votes the Chairman shall, both on a show of hands or on a poll, have a casting vote in addition to the vote or votes to which he may be entitled as a member.

28. At any general meeting, unless a poll is demanded by any member present and entitled to vote at the meeting, a declaration by the Chairman that a resolution has been carried or carried by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the book of proceedings of the company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.

VOTES OF MEMBERS

29. On a show of hands every member present in person shall have one vote and upon a poll every member present in person or by proxy shall have one vote for every share held by him.

30. Votes may be given either personally or by permanent or ad hoc written proxy.

31. The instrument appointing a proxy shall be in writing, under the hand of the appointor or of his attorney. Any person even though he is not a member of the Company may be appointed a proxy.

32. The instrument appointing a proxy shall be deposited with the Secretary before or at the meeting for which it is to be used and, if permanent, may be recorded with the Secretary.

33. The vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or transfer of one share in respect of which the vote is given, provided no intimation in writing of the death, revocation or transfer shall have been received before the meeting.

34. An instrument appointing a proxy may be in any form which the Directors think fit to approve.

DIRECTORS

35. Until otherwise determined by a general meeting, the number of the Directors shall not be less than two or more than seven.

36. The first Directors of the Association shall be John Patrick Rice, Raymond Mandel and Leonard Maurice Thompson who shall hold office until the first annual general meeting following the sale of Treasure Cay Limited of all the lots in the Subdivision. If any vacancies shall occur before such annual general meeting the same shall be filled by a person or persons nominated by Treasure Cay Limited.

37. On and from the first annual general meeting as aforesaid the directors shall be such persons, whether or not members of the Association, as shall be elected by the members of the Association in general meeting and shall hold office until their successors are elected or until the office is vacated pursuant to the provisions of these Articles. *

38. The office of a Director shall ipso facto be vacated:

- a. if he becomes a bankrupt or suspends payment or compounds with his creditors,
- b. if he becomes lunatic or of unsound mind,
- c. if by notice in writing to the Company he resigns his office,
- d. if he is requested in writing by members holding or representing more than one half in value of the subscribed and issued shares of the Company to vacate his office;

but the continuing Directors may act notwithstanding any vacancy in their body.

39. Any casual vacancy occurring in the Board of Directors may at any time be filled up by the Directors, but any person so chosen shall retain office so long only as the vacating Director would have retained the same if no vacancy had occurred.

40. Each Director shall have the power to nominate another person (who need not be a member of the Company) to act as an alternate Director in his place during his absence from the Bahama Islands and at his discretion to remove such alternate Director and on such appointment being made the alternate Director shall (except as regards the power to appoint an alternate Director and except as to remuneration) be subject in all respects to the terms and conditions existing with regard to the other Directors of the Company and each alternate Director whilst so acting shall exercise and discharge all the functions, powers and duties of the Director he represents. An alternate Director shall ipso facto cease to be an alternate Director if his appointor ceases for any reason to be a Director.

MANAGING DIRECTOR

41. The Directors may, from time to time, appoint one or more of their body to be Managing Director or Managing Directors of the Company, either for a fixed term or without any limitation as to the period for which he or they is or are able to hold such office, and may from time to time (subject to the provisions of any contract between him or them and the Company removed or dismiss him or them from office and appoint another or others in his or their place or places.

42. The Directors may from time to time entrust to and confer upon the Managing Director for the time being such of the powers exercisable under these presents by the Directors as they may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient; and they may confer such powers; either collaterally with or to the exclusion of, and in substitution for all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all of any such powers.

PROCEEDINGS OF DIRECTORS

43. The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings and proceedings, as they think fit and may determine the quorum necessary for the transaction of business. Until otherwise determined, two Directors shall be a quorum.

44. Any two Directors may at any time convene a meeting of the Directors. Questions arising at any meeting shall be decided by a majority of votes and in case of an equality of votes the Chairman shall have a second or casting vote.

45. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations of the Company for the time being vested in or exercisable by the directors generally.

46. The President or a Vice-President shall preside at all meetings of the Directors. In the absence of the President and the Vice-Presidents the Directors present shall choose some one of their number to be Chairman of the meeting.

47. All acts done by any meeting of the directors or by any person acting as a Director shall notwithstanding that it afterwards be discovered that there was some defect in the appointment of any such Directors or person acting as aforesaid or that they or any of them were or was disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

48. When all the Directors sign the minutes of a meeting of the Directors the same shall be deemed to have been duly held notwithstanding that the Directors have not actually come together or that there may have been technical defects in the proceedings. And a resolution in writing, signed by all the Directors, shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted.

POWERS OF DIRECTORS

49. The management of the business of the Company shall be vested in the Directors who, in addition to the powers and authorities by these presents or otherwise expressly conferred upon them may exercise all such powers and do all such acts and things as may be exercised or done by the Company and are not hereby or by Act expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of any Act and of these presents, and to the provisions of Clause four (4) of the Memorandum of Association and to any regulations from time to time made by the Company in general meeting, provided that no regulation so made shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

REMUNERATION OF DIRECTORS

50. The Directors shall receive such remuneration as the Company in General Meeting shall from time to time determine.

OFFICERS

51. The Officers of the Company shall be elected annually by the Company and shall consist of a President, one or more Vice-Presidents, a Secretary and Treasurer, and such other officers as the Company may from time to time think necessary. Any Officer may be removed at any time by the Company. If any office shall become vacant in any year, the same may be filled by the Directors.

53. Any person may hold more than one of these offices.

THE PRESIDENT

54. Unless otherwise determined by a resolution of the Directors the President or a Vice-President or a Director shall sign and seal all deeds, documents and other instruments and papers authorized by the Directors and requiring execution by the company in the presence of the Secretary or Treasurer of the Company.

VICE-PRESIDENTS

55. A Vice-President in the absence or disability of the President may perform the duties and exercise the powers of the President, and shall perform such other duties as may be presented by the Directors.

THE TREASURER

56. The Treasurer shall have the custody of the funds of the Company and shall deposit to the credit of the Company with a bank to be selected by the Directors all the funds of the Company and shall perform such other duties as may be prescribed by the Directors.

THE SECRETARY

57. The Secretary shall attend and keep the minutes of the meetings of the shareholders and of the Directors. He shall also keep all other books and records of the Company, summon meetings and perform such other duties as may be prescribed by the Directors.

THE SEAL

58. The seal of the Company shall not be used without the sanction of a Director, the President or a Vice-President or such other officers as the Directors may appoint.

DIVIDENDS

59. The profits of the Company shall be divisible among the members holding shares in proportion to the amount of the shares held by them respectively.

60. The Company in general meeting of the Directors may declare a dividend to be paid to the members according to their rights and interest in the profits and may fix the time for payment.

61. No dividend shall be payable except out of the profits arising from the business of the Company.

62. The Directors may from time to time pay to the members such interim dividends as in their judgement the position of the Company justifies.

63. The directors may deduct from the dividends payable to any member all such sums of money as may be due from him to the Company.

64. Notice of any dividend that may have been declared shall be given to each member in manner hereinafter mentioned.

65. No dividend shall bear interest as against the Company.

66. The Directors may, before recommending any dividend, set aside out of the profits of the company such sums as they think proper as a reserve fund or funds to meet contingencies or for equalizing dividends; and the Directors may invest the sum so set apart as a reserve fund or funds upon such securities as they may select.

ACCOUNTS

67. The Directors shall cause true accounts to be kept

Of the sums of money received and expended by the Company and the matters in respect of which such receipt and expenditures take place, and of the assets, credits and liabilities of the Company.

68. The books of account shall be kept at one of the offices of the Company and, subject to any reasonable restrictions as to the time and manner of inspecting the same that may be imposed by the Directors, shall be open to the inspection of the members during the hours of business.

69. One at the least in every year the Directors shall lay before the company in general meeting a statement of the income and expenditure for the past year, made up to a date not more than three months before such meeting.

70. A balance sheet shall be made out in every year and laid before the Company in general meeting and such balance sheet as contained a summary of the property and liabilities of the Company.

AUDITOR

71. The Directors shall make all necessary arrangements for an annual audit of the books and accounts of the Company. Any auditor appointed need not be a shareholder of the Company.

NOTICES

72. A notice may served by the Company upon any member either personally or by sending it through the post in a prepaid envelope addressed to such member at his last known address.

73. The signature to any such notice to be given by the Company may be written, typewritten or printed.

74. Any notice, if served by post, shall be deemed to have been served at the time when the envelopes containing the same would have been delivered in the ordinary course of post, and to proving such service it shall be sufficient to prove that the envelope containing the notice was properly addressed and put into the post office.

75. Notice of meetings of the shareholders shall be given by the Secretary at least three days before the date of such meeting.

76. Notice of special meetings shall state the object for which the meeting is called.

77. Any member or Director may waive the right to receive notices by an instrument in writing signed by him before, at or after any meeting.

78. Each Director of the company shall be indemnified by the Company against expenses actually and necessarily incurred by him in connection with the defence of any action, suit or proceeding in which he is made a party by reason of his being or having been a director of the Company, except in relation to matters as to which he shall be adjudged in such action, suit or proceeding, to be liable for negligence or misconduct in the performance of his duties as such director, such right of indemnification shall not be deemed exclusive of any other rights to which he may be entitled, under by-law, agreement, vote of shareholders or otherwise.

IN WITNESS WHEREOF WE, the Subscribers to the Memorandum of Association have hereunto subscribed our names this 14th day of July A.D., 1967.

(sgd) G.A.D. Johnstone
(sgd) Lennox M. Paton

(sgd) Beverley Honess
(sgd) Jack A. Moree
(sgd) Yvonne Roberts

Signed by the subscribers to the Memorandum in the presence of

(sgd) Ignatius Carroll

(new page)

No.

BAHAMA ISLANDS
New Providence

I, N. C. Roberts, Registrar General for the Bahama Islands, do hereby certify that a Memorandum of Association of BEACH VILLA OWNERS ASSOCIATION LIMITED has this day been registered in my office under the provisions of The Companies Act (Cap.124).

Whereby the said Parties have become and are an incorporated Company under the name and style of BEACH VILLA OWNERS ASSOCIATION LIMITED.

And I further certify that the Liability of the said Company is Limited.

Given under my hand at the City of Nassau this 14th day of July, A.D. 1967.

REGISTRAR GENERAL

N.B. This has been copied verbatim, and with the same spellings, from documents filed in the BVOA Office. Erni Feeney January 23,2004.