
**AGREEMENT OF SALE
MADE AND ENTERED INTO BY AND BETWEEN**

("the Seller")

and

("the Purchaser")

and

PEZULA PRIVATE RESIDENCE CLUB SHARE BLOCK COMPANY LIMITED

("the Company")

1. DEFINITIONS

1.1 For the purposes of the contract of sale and these conditions, unless the context indicates to the contrary:

- 1.1.1 **"the Act"** means the Share Blocks Act 59 of 1980, as amended or re-enacted and in force for the time being;
- 1.1.2 **"this Agreement"** means this Agreement of Sale and all schedules, annexures and addenda thereto;
- 1.1.3 **"Effective Date"** means the date of transfer of the share block into the Purchaser's name;
- 1.1.4 **"Property"** means the five luxury Residences established on: Erf 12414, Knysna in the Municipality of Knysna, Province of Western Cape, in extent 9457 square metres (hereinafter referred to as "Resort Residences") which Residences are owned by the Company;
- 1.1.5 **"Purchaser"** means the Purchaser as cited above;
- 1.1.6 **"Seller"** means the Seller as cited above or its successors in title;
- 1.1.7 **"the Share Block"** means the share block in the Company purchased by the Purchaser in terms of this Agreement and as described in the transaction schedule;
- 1.1.8 **"Use Agreement"** means the Use Agreement between the Seller and the Company, and to be ceded and assigned by the Seller to the Purchaser and of which a copy is attached hereto as Annexure "B";



- 1.2 The use of the masculine gender shall, if consistent with the context, be interpreted as the feminine gender and vice versa and the use of the singular shall, if consistent with the context, be interpreted as the plural, and vice versa.
- 1.3 All words or expressions used in this agreement shall, unless the contrary is clearly indicated in the agreement, have the meanings afforded them in the Act.

2. PREAMBLE

- 2.1 A Share Block consists of a block of shares in the Company conferring on the Shareholder a personal right to or an interest in the use of the Property.
- 2.2 The Shareholder's rights of occupancy are governed by the Articles of Association, the Memorandum of Association and the Use Agreement of the Company as the case may be.
- 2.3 Subject to the provisions of this Agreement, the Purchaser will acquire ownership of the Share Block in the Company for the use and enjoyment of the Property.
- 2.4 In terms of the Use Agreement the Purchaser shall be obliged to contribute to the Levy Fund of the Company by way of annual Management Fees.
- 2.5 This agreement is divided into four main sections as follows:
- 2.5.1 The transaction schedule (Schedule 1 hereto).
 - 2.5.2 The statutory schedule in terms of the Section 17(1) of the Act (Annexure "A" hereto).
 - 2.5.3 The Use Agreement (Annexure "B" hereto).
 - 2.5.4. The Rules (Annexure "C" hereto).
- 2.6 The following further documents are available for inspection at the registered office of the Company:
- 2.6.1 The Memorandum and Articles of Association of the Company.

3. SALE

The Seller hereby sells and the Purchaser hereby purchases the Share Block set out in clause 1 of Schedule 1 subject to the provisions of this Agreement.

4. PAYMENT

- 4.1 The purchase price shall be the amount as set out in clause 3 of Schedule 1 payable as follows:
- 4.1.1 cash on signature of this Agreement, the amount set out in clause 4.1 of Schedule 1 (the deposit) to be deposited with the nominated Attorney who shall hold the amount in an interest bearing account in terms of Section 78 (2) (A) of the Attorney's Act, pending the effective date. Any interest accruing on the deposit while invested with the Attorney shall be for the benefit of the Purchaser;
 - 4.1.2 the balance of the purchase price in the amount set out in clause 4.2 of Schedule 1 shall be paid on the Effective Date and shall be secured by cash, or guarantees acceptable to the nominated Attorney, which shall be delivered within 21 (twenty-one) days of having been requested by the Attorneys; in the event of a cash payment such amount shall be paid and held in terms of clause 4.1.1 above.



4.2 It is recorded that in terms of the regulations governing The Financial Intelligence Centre Act, 38 of 2001, the nominated Attorney is an accountable institution.

5. LOAN OBLIGATION

5.1 The loan obligation of the Company is stated in clause 8 of Annexure "A".

5.2 The Purchaser shall assume liability to the Company as prescribed in the Act for that portion of the loan obligation allocated to the Purchaser as set out in clause 3.2 of Schedule 1.

6. TRANSFER OF SHARES AND THE USE AGREEMENT

6.1 Against compliance by the Purchaser with all its obligations hereunder, the Seller shall cause the shares which constitute the Share Block to be duly transferred into the name of the Purchaser.

6.2 Simultaneously with the transfer of the shares into the name of the Purchaser, the Seller shall cede and assign to the Purchaser its rights and obligations under the Use Agreement.

6.3 The parties record that the Seller will only transfer the Share Block on or after the effective date.

7. OCCUPATION AND USE

From the effective date, the Purchaser shall be entitled to:

7.1 the possession, occupation and use of the Residences to be established on the Property, subject to the terms of the Use Agreement; and

7.2 the use of the common property on the Property.

8. PURCHASER'S ACKNOWLEDGMENTS

8.1 The Purchaser acknowledges that:

8.1.1 the Share Block is sold and purchased and the Use Agreement ceded and assigned voetstoots without any warranties or representations (other than those set out herein), either express or implied, and with all defects, if any, latent or patent, that may exist both in respect of the Company and the Company's assets;

8.1.2 the Purchaser accepts the use thereof in terms of the Use Agreement voetstoots;

8.1.3 the Purchaser has seen, understood, accepted and agreed to be bound by and will duly observe the contents and provisions of;

8.1.3.1 the memorandum and articles of association of the Company;

8.1.3.2 the Use Agreement;

8.1.3.3 the Rules.

8.2 The Purchaser acknowledges that the Company or its agents shall be entitled at all reasonable times to carry out such work on the Property as it deems necessary, whether in respect of renovations, alterations, refurbishing, change of use or otherwise.

8.3 The Purchaser shall not be entitled to sell or otherwise dispose of its Share Block save in accordance with the Use Agreement.



9. SELLER'S WARRANTIES

The Seller warrants that:

- 9.1 as at the effective date the Company will own the Residences unencumbered;
- 9.2 as at the effective date no person other than the Purchaser has any rights in respect of the Share Block whether by way of option or lien;
- 9.3 all contributions to the Levy Fund due and payable by the Seller (if any) to the Company for periods expiring on or before the effective date will have been duly paid;
- 9.4 the Purchaser will be entitled to the following benefits:
 - 9.4.1 Use of the Pezula Hotel & Spa facilities normally afforded to hotel guests. These facilities include a gym, sauna, steam room, indoor and outdoor pool, restaurant and access to business facilities.

10. SIGNATURE OF DOCUMENTS

The Purchaser undertakes within 21 (TWENTY-ONE) days of being called upon to do so by the Seller or its agent:

- 10.1 to sign and deliver to the Seller any document necessary to give effect to this Agreement; and
- 10.2 to do all things necessary to give effect to this Agreement, failing which and without prejudice to any other rights that the Seller may have hereunder, the Seller shall be entitled to do all such things and to sign all such documents for and on behalf of the Purchaser and in its name in order to give effect to the foregoing provisions, and for such purposes the Purchaser hereby appoints the Seller and/or its agent as the Purchaser's attorneys irrevocably and in *rem suam* and indemnifies the Seller and its agents in respect of all costs incurred by the Seller in connection therewith and against any claim which may be made or brought against the Seller in respect of anything done pursuant to the foregoing provisions.

11. GENERAL

- 11.1 This Agreement constitutes the sole record of the agreement between the parties.
- 11.2 No party shall be bound by any representation, warranty, promise or the like not recorded herein.
- 11.3 No addition to, variation, or agreed cancellation of this agreement shall be of any force or effect unless in writing and signed by or on behalf of the parties.
- 11.4 No indulgence which either party ("the grantor") may grant to the other ("the grantee") shall constitute a waiver of any of the rights of the grantor, who shall not thereby be precluded from exercising any rights against the grantee which may have arisen in the past or which might arise in the future.

12. BREACH AND CANCELLATION

- 12.1 Should the Purchaser fail to pay any amount due and payable by it on due date or commit any other breach of the terms of this Agreement and remain in default 14 (FOURTEEN) days after posting to it of a written notice calling upon it to pay or otherwise remedy such breach, the Seller shall be entitled to cancel this Agreement, in which event all monies paid by the Purchaser in terms of this Agreement shall be forfeited to the Seller as agreed liquidated damages in respect of the Purchaser's breach of contract. This clause shall not prejudice any other right or action which the Seller may have against the Purchaser.



- 12.2 If the Contract is cancelled in terms of clause 12.1:
- 12.2.1 the Seller shall be entitled to institute proceedings for payment of any amount due in respect of the purchase consideration in terms of this Agreement or otherwise to enforce the terms; and
 - 12.2.2 the Purchaser shall be liable for Management Fees in terms of this Agreement up to the date upon which the Seller exercises its rights of cancellation (if applicable); and
 - 12.2.3 the Purchaser shall not be entitled to occupation or possession of the Properties while it is in default of any of its obligations under this Agreement, or as from the date of cancellation in terms hereof.
- 12.3 All legal costs (including attorney and own client costs) incurred by the Seller arising as a result of action or proceedings instituted in terms of this Agreement shall be paid by the Purchaser.

13. DOMICILIUM AND NOTICES

13.1 The parties choose domicilium citandi et executandi (“domicilium”) for the purposes of the giving of any notice, the payment of any sum, the serving of any process and for any other purpose arising from this agreement, as follows:

13.1.1 The Seller: _____

Postal address: _____

Facsimile number: _____

E-Mail: _____

13.1.2 The Purchaser: _____

Postal address: _____

Facsimile number: _____

E-Mail: _____

13.2 Each of the parties shall be entitled from time to time, by written notice to the other, to vary its domicilium to any other address within the Republic of South Africa which is not a post office box or poste restante; provided no such change of domicilium will be effective before 21 (twenty-one) days’ notice.

13.3 Any notice given by either party to the other (“the addressee”) which:



- 13.3.1 is delivered by hand at the addressee's domicilium for the time being shall be presumed, until the contrary is proved by the addressee, to have been received by the addressee at the time of delivery;
- 13.3.2 is posted by prepaid registered post from an address within the Republic of South Africa to the addressee at the addressee's domicilium for the time being shall be presumed, until the contrary is proved by the addressee, to have been received by the addressee on the fourth day after the date of posting;
- 13.3.3 if sent by facsimile or e-mail to the addressee at the addressee's facsimile or e-mail for the time being shall be presumed, and until the contrary is proved by the addressee, to have been received by the addressee within 1 (one) day after the date of sending.

14. TRANSFER DUTY AND STAMP DUTY

- 14.1 The Purchaser shall be liable for the payment of any transfer duty payable in terms of this agreement.
- 14.2 The stamp duties which are payable arising from this Agreement, as well as stamp duties in respect of the transfer of the Shares in the Company, shall be paid by the Purchaser.

15. AGENT'S COMMISSION

- 15.1 The Seller shall pay any agent's commission in respect of the sale and such commission shall be deemed to have been earned upon conclusion of this Agreement and fulfillment of all conditions. The Purchaser hereby warrants that the only agent who introduced it to the Share Block is the agent as set out in clause 9 of Schedule 1 and the Purchaser hereby indemnifies and holds the Seller free and harmless from and against any claim which may be made by any other agent in respect of commission arising out of the sale of the Share Block, where such other agent claims to have actually introduced the Purchaser to the Share Block or the Seller in connection with the transaction herein set forth.

16. IRREVOCABLE OFFER

The Purchaser, by his signature hereto, offers to purchase the Share block upon the terms and conditions contained in this agreement which offer shall be irrevocable for a period of 21 (twenty-one) days after signature hereof and which offer shall be capable of being accepted by the Seller or its duly appointed agent signing this agreement at any time within such period.



THUS DONE AND SIGNED AT _____ ON THIS THE ____ DAY OF
_____ 20__.

AS WITNESSES:

1. _____

2. _____ SELLER

THUS DONE AND SIGNED AT _____ ON THIS THE ____ DAY OF
_____ 20__.

AS WITNESSES:

1. _____

2. _____ PURCHASER



SCHEDULE 1

TRANSACTION SCHEDULE

1. Share block number: _____
2. Number of shares comprising share block: 30 ordinary shares
3. Purchase price:
- 3.1 Purchase price of share block: R _____
- 3.2 Allocated loan assumed by Purchaser: R Nil
- 3.3 Total to be paid by Purchaser: R _____
4. Date on which purchase price is to be paid: _____
- 4.1 Deposit on date of signature: R _____
- 4.2 Balance on the effective date: R _____

All amounts payable in respect of the purchase price shall be payable into the registered trust account of the nominated Attorneys as follows:

Account Name: _____

Bank: _____

Branch: _____

Trust Acc No: _____

Branch Code: _____

Swift Code: _____

Ref: Pezula Share Block No _____

5. Current annual management fee: R 39,945.90 (VAT inclusive).
6. Effective date: _____
7. Agents Commission: Will be paid by the Seller.
8. First Reservation Cycle allocated: Cycle 1 (1 March – 31 August)
- Cycle 2 (1 September – last day of February)
9. Introductory Agent: _____



ANNEXURE "A"

Information required to be stated in terms of Section 17(1)

of the Share Blocks Control Act No. 59 of 1980

in respect of:

PEZULA PRIVATE RESIDENCE CLUB SHARE BLOCK COMPANY LIMITED

(No 2004/024967/06)

(hereinafter referred to as "the Company")

1. The name of the Company operating the share block Company is:

PEZULA PRIVATE RESIDENCE CLUB SHARE BLOCK COMPANY LIMITED

- 1.1 Address of registered office and transfer offices: Michaelides, Parker & Kretzmann, 12 Clyde Street, Knysna 6571
- 1.2 Postal address: P.O. Box 82, Knysna, 6570
- 1.3 Date of Registration of Share Block Company: 8/03/2006
- 1.4 Address at which financial records are kept: Michaelides, Parker & Kretzmann , 12 Clyde Street, Knysna 6571.
- 1.5 There is no holding Company.

2. DIRECTORS AND MANAGEMENT

- 2.1 The current directors of the Company and their respective addresses and occupations are as follows:

- 2.1.1 David Abery
Address: 8A Ashley Avenue, Bryanston, Gauteng.
Occupation: Businessman.
- 2.1.2 Errol Salkinder
Address: 88 South Avenue, Athol, Gauteng
Occupation: Businessman
- 2.1.3 Teresa Patel
Address: 65 17th Street, Parkhurst, Gauteng



Occupation: Businesswoman.

2.1.4 Ken Woollcott
Address: 82 Quarrywood, 13 The Straight, Lonehill, Gauteng
Occupation: Businessman.

2.1.5 Tumisang Kgaboesele
Address: 65, 17th Street, Parkhurst, Gauteng
Occupation: Businessman.

2.1.6 Ahmed Saber
Address: 15 Amir Ali Crescent, Azaadville, Gauteng
Occupation: Businessman.

- 2.2 The directors have been appointed for a 1 (one) year term of office until the next Annual General Meeting.
- 2.3 No rights are held by any person in respect of the appointment of any directors.
- 2.4 The directors shall not be entitled to director's fees nor any other fee from the Company in respect of their acting for the Company in any other capacity unless such fee is agreed to by a single majority of the directors of the Company.
- 2.5 The managing agent of the Company is Pezula Resort Hotel & Spa (Pty) Ltd.
- 2.6 The borrowing powers of the Company are restricted. The Company may not borrow money for purposes of financing improvements to the property.

3. AUDITOR

- 3.1 The auditor of the Company is: Michaelides, Parker & Kretzmann
- 3.2 The address of the auditor is: 12, Clyde Street, Knysna, 6571

4. SECRETARY

The current secretary of the Company is Michaelides, Parker & Kretzmann.

5. PROPERTY

- 5.1 The immovable property which subject to the Use Rights of the Rules of the Company means the five luxury Residences established on Erf 12414, Knysna in the Municipality of Knysna, Province of Western Cape, in extent 9457 square metres (hereinafter referred to as "Resort Residences") which Residences are owned by the Company.

6. MORTGAGE BONDS

- 6.1 At the effective date no mortgage bonds are registered against the Property.

7. CONTRIBUTIONS TO LEVY FUND/MANAGEMENT FEES

The anticipated contribution to the Levy Fund/Management Fees is as set out in the transaction schedule.



8. LOAN OBLIGATION

- 8.1 Total anticipated loan of obligation of the Company is the sum of Nil (Nil rand).
- 8.2 The Company does not contemplate increasing its loan obligation in terms of Section 14(1) and Section 14(6) of the Share Blocks Control Act No. 59 of 1980 or further encumber the Company's assets/Properties.

9. INSURANCE

The Company will be responsible for the insurance of the Property for an amount considered adequate by the said insurer for the replacement costs of the buildings, improvements and movable assets situated on the Property, which insurance shall be reviewed by the Board of Directors Annually.

10. MATERIAL CHANGES

There are no material changes of which the Seller is aware in the state of affairs of the Company since the date of the last annual financial statements, which are attached hereto.



**USE AGREEMENT
MADE AND ENTERED INTO BY AND BETWEEN**

PEZULA PRIVATE RESIDENCE CLUB SHARE BLOCK COMPANY LIMITED

("the Company")

and

("the Member")

1. DEFINITIONS

1.1 Unless the context clearly indicates otherwise, the following words and/or expressions shall have the following meanings in this agreement:

- 1.1.1 **"the Act"** means the Share Blocks Control Act 59 of 1980, as amended; and any regulations promulgated in terms thereof;
- 1.1.2 **"the Allocated Loan"** means the portion of the Company's total loan obligation (as defined in the Act) which has been allocated to the Share Block in the Company's Articles of Association in terms of the Act;
- 1.1.3 **"the Common Property"** means the whole of the balance of the Property which is not occupied by the Residences and shall be understood in the context in which the term "common property" is used in the Sectional Titles Act 95 of 1986, as amended, and the common property shall be defined in accordance with the definition of that term in the said Act, mutatis mutandis applied to the Residences;
- 1.1.4 **"the Loan Obligation"** means the total obligation as defined in the Act;
- 1.1.5 **"the Managing Agent"** means Pezula Resort Hotel & Spa (Pty) Ltd, and its successors in title and vice versa;
- 1.1.6 **"the Member"** shall mean the Purchaser who has become a shareholder in the Company and his or her successors and assigns. The term



- Member and Purchaser may be used interchangeably in the Agreement.
- 1.1.7 **"the Primary Use Time"** shall mean the twenty-one (21) nights per share block owned during which the Member is entitled to occupy a Residence as described herein or to exercise the Additional Scheme Benefits in lieu of occupancy
- 1.1.8 **"the Property"** means the five luxury Residences established on:
- Erf 12414, Knysna in the municipality of Knysna, Province of Western Cape, in extent 9457 square metres (hereinafter referred to as "Resort Residences") which Residences are owned by the Company;
- 1.1.9 **"the Residences"** means any of the five fully furnished and equipped luxury Residences on the Property, as further described in this agreement;
- 1.1.10 **"the Share Block"** means each of the share blocks:
- 1.1.10.1 numbered as indicated in the Company's Memorandum and Articles of Association;
- 1.1.10.2 which consist of the number of shares in the Company indicated in the said Memorandum and Articles of Association, which shares have a nominal value as shown in the said Memorandum and Articles of Association;
- 1.1.10.3 which in terms of the Company's Memorandum and Articles of Association affords to its beneficial owner the right to use a Residence in terms of this Use Agreement for the Primary Use Time.
- 1.2 The use of the masculine gender shall, if consistent with the context, be interpreted as the feminine gender and vice versa and the use of the singular shall, if consistent with the context, be interpreted as the plural, and vice versa.
- 1.3 All words or expressions used in this agreement shall, unless the contrary is clearly indicated in the agreement, have the meanings afforded them in the Act.



2. RIGHT TO OCCUPY AND USE THE RESIDENCES AND COMMON PROPERTY

- 2.1 The Member has the sole and exclusive right to the use, occupation and enjoyment of the Residences free of rental for the Primary Use Time linked to the Share Block in terms of the Company's Articles of Association.
- 2.2 The Member acknowledges that he is aware of the fact that the exclusive right to use, occupy and enjoy the Residences also vests in other Members of the Company, at all other times.
- 2.3 The Member is entitled, during the Primary Use Time, to be present on the common property and to use the common property in conjunction with the Residences occupied by such Member. The right to be present on and use the Common Property in conjunction with the Residences occupied by such Member, is given to all other Members of the Company and the Member's right to such use is therefore to be exercised in conjunction with the rights of the said other Members.
- 2.4 The Member's rights described in clauses 2.1 to 2.3 above shall at all times be exercised subject to the terms and conditions contained or referred to in this agreement and to the Rules issued from time to time by the Company's directors as provided for in clause 17 below.
- 2.5 The rights acquired by the Members in terms of this agreement endure for so long as the Member remains a beneficial owner of the Share Block and complies with all the terms and conditions contained or referred to in this agreement.

3. USE

- 3.1 The Residences shall be used by the Member, only for the accommodation of the Member and his invitees and for no other purpose whatsoever. The Residences shall not be occupied at any time by more than four persons.
- 3.2 Should the Member be a company or other legal person, the Residences shall be used and occupied by such person or persons as may be indicated in writing by such legal person from time to time, but the use and occupation by such persons shall be subject to all the terms contained or referred to in this agreement and furthermore the use of the Residences shall at all times be subject to the Rules as may be determined by the Board of Directors from time to time.
- 3.3 The use of the Residences shall at all times be subject to the Rules as may be determined by the board of directors from time to time.



4. ELECTRICITY AND WATER

- 4.1 The Company's expenditure relating to the consumption of electricity and water by Members in or around the Residences shall be included in the Management Fee contemplated in clause 9 for which each Member shall be liable for proportionately.
- 4.2 The Company shall not be liable towards the Member for any damage which may be suffered by the Member if the services in the Residences, such as the provision of electricity and water and sewerage facilities, are interrupted whether or not such interruption is due to the Company's fault. Furthermore, the Member shall not be entitled to cancel this agreement or to withhold any payment due in terms of this agreement by virtue of such interruption.

5. LETTING

The Member shall not be entitled to let or otherwise temporarily alienate his right to occupy the Residences to a third party.

6. MAINTENANCE

- 6.1 Excluding fair wear and tear, a Member shall be liable for any damage caused intentionally, negligently or without fault to the Residences or to any fittings, fixtures, appliances and furnishings in the Residences during the occupation of such Member or any of his invitees of the Residences.
- 6.2 The Members shall be obliged to keep the Residences and all fittings, fixtures, appliances and furnishings in it in a clean and neat condition.
- 6.3 Subject to the provisions of clause 6.1 and clause 6.2 above, all expenses for the maintenance, upkeep, repair or replacement of the Residences and all fittings, fixtures, appurtenances and furnishings shall be made good by the Company and be debited to the Management Fee contemplated in clause 9 below.
- 6.4 In the event of a dispute as to whether a Member or the Company (the latter via the Fund) is liable for any expenditure relating to the expenses referred to in clause 6.3 above, such dispute shall be decided by the Company's Board of Directors whose decision shall be final and binding on the Member.

7. ALTERATIONS

The Member shall under no circumstances alter or effect any changes to the Residences or to any fittings, fixtures or appurtenances in it whether such alterations or changes are of a structural nature or not. Furthermore, the Member shall not drive any nails, screws or similar objects into any part of the Residences or any of the fittings, fixtures or appurtenances in it nor shall the Member remove anything from the Residences, and any such condition shall constitute damage caused to the unit by such Member who shall be liable to the Company for all costs involved to make good such damages caused.



8. CONDITION OF RESIDENCES/VOETSTOOTS

The Member accepts the Residences and everything in them and also the Common Property on a voetstoots basis (as is) and in the condition in which they stand on the date of this agreement. Subject to the Company's maintenance duty referred to in clause 6.3 above, the Member shall have no claim whatsoever against the Company by virtue of the condition of the Residences or any fittings, fixtures, appurtenances or furnishings in it.

9. MANAGEMENT FEES

9.1 The Company's directors shall establish and maintain a fund of moneys ("the Fund") collected by them annually from the Company's Members. This duty may be delegated to the Managing Agent. The amount levied on Members from time to time shall be determined in the sole and absolute discretion of the Company's directors and shall be sufficient to provide for:

9.1.1 the proper maintenance, control, management and administration of the Company;

9.1.2 the proper maintenance, upkeep, repair or replacement of the Residences and all fittings, fixtures, appliances and furnishings;

9.1.3 any cost of electricity, water, fuel, sewerage services and refuse removal services for the Property and Residences;

9.1.4 any professional or any other services including legal or accountings services which may be required by the Company as well as provisions for any loss which the Company may have suffered or may in future suffer;

9.1.5 any payment or fee to any 3rd party for the provision and supply of housekeeping and other services, use or sharing of outside facilities for the benefit of the Company and its Members during their use of the Residences;

9.1.6 insurance premiums for which the Company may be liable from time to time;

9.1.7 the fees payable from time to time to the Managing Agent;

9.1.8 any other costs, expenditure, disbursements, taxes, levies or liability of the Company which may arise from time to time and generally to give effect to the proper use and enjoyment of the Residence by the Members;

9.1.9 any expenses not specifically referred to herein, but as may be contemplated in the Act.

9.2.1 The directors shall in respect of every calendar year estimate the amount which will be required by the Company in order to defray the costs referred to in clause 9.1 above as well as any deficiency which may exist in the Fund with regard to the previous calendar year. The directors shall by way of



Management Fees collect from the Members an amount as near as possible to the said estimated amount. The directors should be entitled in addition to the matters specifically provided for in clause 9.1 above to include an amount to be retained as a provision for any future contingent expenditure not of a current nature.

- 9.2.2 Any Member who acquires his share block during any calendar year in respect of a Primary Use Time which for that calendar year has already lapsed, shall not be liable for payment of any Management Fees for that (first) calendar year. Conversely, any Member acquiring a share block during any calendar year in respect of a Primary Use Time which for that calendar year occurs after the date of acquisition of the share block such Member shall be liable for the payment of the full Management Fees for that (first) calendar year.
- 9.3 Should the directors deem it necessary or expedient, they shall be entitled, in addition to the amounts levied in terms of clause 9.1 and 9.2 above, to levy special amounts from the Members to defray any additional expenditure of the Company which was not included in the estimate of the Company's annual expenditure. A special levy may be collected in a single payment or in instalments of such amounts and payable over such periods as the directors may determine.
- 9.4.1 The Company shall as and when determined by the directors despatch a written notice to each Member notifying him of the amount levied in terms of this clause (9) and such notice shall be subject to the provisions of this agreement relating to notice.
- 9.4.2 The failure by the Company to give the above-mentioned notice timeously to the Member does not preclude the Member's liability for payment of the Management Fees or give rise to any other rights on behalf of the Member.
- 9.5 Payment of any amount due by the Member in terms of this clause (9) may be claimed from the Member by the Company. The Member's obligation to pay the Management Fees cease when the Member's rights in terms of this agreement cease; provided further that in the event of the cancellation of this agreement by the Company due to any fault by the Member, then the Company's right to claim damages from the Member shall not be affected by this provision. The Member shall not be entitled to claim repayment of any amount contributed by him to the Fund, whether or not such amount may have been paid by the Member in respect of any period after the date upon which his rights in terms of this agreement were terminated.
- 9.6 Without prejudice to any other rights which the Company may have, the Member shall not be entitled to occupy or use the Residences or be present on the Common Property while any amounts due by him in terms of this clause are in arrears.
- 9.7 Any reference to Management Fee in this Agreement shall mean Levy and/or Levy Fund as referred to in the Articles of Association of the Company and the Act and *vice versa*.



10. LOAN OBLIGATION

10.1 The Member acknowledges that he is aware, in terms of the Company's Memorandum and Articles of Association, and/or the Rules and/or Use Agreement, that he and the other Members shall be bound to a loan agreement with the Company in terms of which an amount of money (the "Loan Obligation") has been or will be loaned to the Company which amount shall be determined by the directors from time to time; provided that any increase in the Loan Obligation should not be effected without the unanimous resolution of the Members in terms of the Articles of Association of the Company. The said amount together with all other amounts which may be due by the Company to the Member on loan account, if any, shall never be repaid by the Company to the Member. Should the Company, however, at any time resolve (as set out below) to go into voluntary liquidation, any dividend which may be available for distribution will be distributed amongst Members.

Any resolution of the Company referred to in this clause shall be a resolution of not less than 75% (SEVENTY-FIVE PERCENT) in number of the Members of the Company (which Members shall not include share block developers as defined in the Act) and who have the right to vote at the relevant meeting and which Members shall together hold not less than 75% (SEVENTY-FIVE PERCENT) of the total votes of all Members in the Company excluding Members who are share block developers.

10.2 As soon as the total amount due by the Member in respect of his Loan Obligation has been paid to the Company the Company shall upon the written request of the Member furnish the Member with a written certificate to that effect.

11. LIEN

11.1 Save as is provided herein, the Company shall have a first lien on every share and share block for all amounts owed to it, including the costs of any proceedings instituted by the Company against any Member and whether the period for the payment thereof has actually arrived or not.

11.2 For the purposes of enforcing such lien the directors may, subject to clause 11.3 below, sell the share at such time or times and in such manner and upon such terms and conditions as they may think fit. No sale shall be made in terms of this clause unless such sum is presently payable and remains unpaid notwithstanding 14 (FOURTEEN) days' notice to the Member, stating the amount and demanding payment of such sum, and stating the directors' intention to sell if payment has not been made within the said period of 14 (FOURTEEN) days.

11.3 Should any share be subject to any pledge in respect of which the Company shall have received written notice, the Company shall give such pledgee 21 (TWENTY-ONE) days' notice to the address furnished by the pledgee to the Company, to remedy the breach of the holder, failing which the Company shall be entitled to proceed with the sale.

11.4 Save as is provided herein, no pledgee shall have any prior claim against the Company.



- 11.5 The net proceeds of any such sale shall firstly be applied in or towards the satisfaction of the amount owed to the Company, and the balance, if any, shall then be paid to any pledgee or the Member as the case may be.
- 11.6 Upon any such sale as aforesaid, the directors may enter the Purchaser's name in the register of Members of the Company and the Purchaser shall not be bound to see to the application for the purchase money, nor shall his title to the shares be affected by the irregularities or invalidity in the proceedings in relation to the sale.
- 11.7 An affidavit by a director or the secretary of the Company that the share has been duly sold in accordance with this clause shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to such share or its proceeds. Such affidavit, and a receipt of the Company for the purchase price of the share, shall constitute a good title to such shares and the validity of the sale may not be impeached by any person.

12. CESSION OF AMOUNTS ADVANCED BY MEMBERS TO THE COMPANY

In addition to the lien created in clause 11 in favour of the Company on the Member's shares, all amounts which are advanced from time to time by the Member to the Company are hereby ceded to the Company as security for the Member's outstanding obligations towards the Company from time to time. Such cession shall be a continual covering security. The Member shall not be entitled to cede or otherwise transfer or alienate his right, title and interest in any such amounts or any part thereof without the Company's prior written consent excepting together with an alienation by the Member of this shareholding in the Company, his Allocated Loan and his rights in terms of this agreement. Should the Company agree to a cession or other alienation of such amounts the cession or other alienation shall nevertheless not be binding on the Company in spite of the Company's consent having been granted, if the Member breaches the provisions of this agreement in such a manner that the Company becomes entitled to enforce the provisions of clause 16 of this agreement against the Member and in such event any claim by a cessionary or other receiver of the said amount, shall be subject to the Company's claim and shall only be satisfied after all amounts due by the Member to the Company have been paid in full. Should the Company act against the Member in terms of the provisions of clause 16 of this agreement, the Company shall, however, be obliged to give the same notice to the said cessionary or other receiver as it is obliged to give to the Member in terms of clause 16 in order to afford the said cessionary or other receiver an opportunity of remedying the Member's breach.

Despite the Company's lien on the Member's shares, no shares shall be sold or otherwise alienated, unless at the same time and as part of the same indivisible transaction, the Member's rights and obligations in respect of the Loan Obligation Allocated Loan and Use Agreement are sold or alienated and vice versa.



13 CESSION OF RIGHTS BY MEMBERS

- 13.1 A Member shall only be entitled to cede or otherwise transfer, alienate or waive his right, title and interest in this agreement together with:
- 13.1.1 the alienation or waiver by him of his shares in the manner prescribed in and subject to the terms of the Company's Memorandum and Articles of Association and furthermore subject to the terms of this agreement; and
 - 13.1.2 the alienation or waiver by him of his rights in terms of the Loan Obligation and the shares on condition that they are alienated in favour of the same party in a single indivisible transaction. No such alienation or waiver shall be effective unless the right is thereby given to the person in whose favour the alienation is made, to occupy the Residences subject to all the provisions contained or referred to in this agreement and in the Company's Memorandum and Articles of Association.
- 13.2 The Company shall not register any party who acquires shares from the Member as a Member of the Company until satisfactory evidence has been produced to the Company that the Member's rights and obligations in terms of this Use Agreement have been ceded and delegated to that party and furthermore that the Member's rights and obligations in respect of the Loan Obligation have been ceded and delegated to that party.

14. THE COMPANY'S RIGHTS AND OBLIGATIONS

- 14.1 The Company is:
- 14.1.1 obliged to maintain the Residences in a good and tidy condition and defray the costs in this regard out of the Fund;
 - 14.1.2 obliged to procure such insurance relating to the Residences and all other improvements thereon against such risks and for such amounts as the Members of the Company may from time to time decide in a general meeting and to maintain or renew such policies from time to time and to pay the premiums regularly and to defray its costs in this regard out of the Fund;
 - 14.1.3 entitled, through any representative or agent, at all reasonable times to enter any Residence occupied by a Member in order to inspect it. Should the Company not be satisfied with the condition of such Residence, it shall be entitled to require the occupying Member immediately to comply with his obligations relating to the condition of the Residence. Should the Member fail to comply with the said request by the Company, the Company shall be entitled to notify the Member in writing to restore the Residence to its required condition and should the Member fail to comply with such notice within 4 (FOUR) hours after such notice has been given, the Company shall be entitled,



without prejudice to any other rights which it may have, to restore the Residence into the required condition and to claim any expenditure so incurred from the Member.

14.1.4 if authorised thereto by the directors or the Company's secretary or manager, the Company through its authorised agents or employees may enter a Residence at any time in order to effect necessary maintenance or repairs to it in which event any occupying Member shall have no claim against the Company for damages, remission of his Management Fees liability or otherwise;

14.1.5 obliged at all times to keep the Residences adequately furnished and equipped for occupation and use by the permitted number of persons provided that:

14.1.5.1 the Company's directors shall in their discretion from time to time decide the exact nature, quantity and quality of the furnishings;

14.1.5.2 movables are and remain the Property of the Company;

14.1.5.3 the Company may, if the directors so decide from time to time, add to, replace or vary such furnishings

14.1.5.4 a Member may not remove any of the furnishings or appliances from the Residences or the Property and shall use them with due care for their preservation and good condition.

15. LOSS, DAMAGE, DEATH OR INJURY

The Company shall not be liable for any loss or damage suffered by the Member or any person occupying a Residence or the Property while the Member or such other person is in occupation of the Residences or the Property. Furthermore, the Company shall not be liable for the injury or death of the said parties while in occupation of the Residences or the Property. The Company's liability is excluded whether or not the said loss, damage, injury or death was caused directly or indirectly by the negligence or gross negligence of the Company or any of its officials, Members, employees or agents and whether or not it was caused by the fact that the Residences or the Property is in a defective condition. The Member shall furthermore not be entitled to withhold payment of any amount due to the Company or to cancel this agreement by virtue of any such loss, damage, injury or death. The Member hereby indemnifies the Company against any claim which may be made against the Company by any party who obtains his rights to occupy or use the Residences or the Property through the Member.

16. TERMINATION

This agreement shall only be of force and effect while the Member remains the beneficial owner of the Share Block or while he remains entitled to the transfer thereof; provided that:



16.1 should the Member fail to comply punctually with any provision of this agreement or of the Rules issued in terms of clause 17 below or of the Company's Memorandum and Articles of Association and should such failure be of such a nature that it can be remedied and should the Member have been notified in writing by prepaid registered mail to remedy the failure and should it not have been remedied 14 (FOURTEEN) days after the said notice; or

should the Member fail to comply punctually with any of the provisions referred to in clause 16.1 above and should the failure be of such a nature that it cannot be remedied and should the Member have been notified in writing by prepaid registered mail to desist from the particular breach and not to repeat it and should he at any time within a period of 12 (TWELVE) months after such notice repeat the relevant breach or failure; then the Company shall be entitled notwithstanding any previous latitude or indulgence and without prejudice to any other rights which it may have, to cancel this agreement summarily and in the event of such cancellation:

16.2.1 the Company shall be entitled to repossess the use of the Residences and for this purpose to take any steps necessary to evict the Member or any person occupying through the Member from the Residences without prejudice to the Company's rights to claim the immediate payment of all amounts due to it and which are in arrear together with such damages as the Company may have suffered due to the Member's breach including legal costs on an attorney and own client scale; and

16.2.2 the Company shall be entitled as agent for and on behalf of the Member and in the Member's name to let the Residences and to collect rental and all other amounts due by the lessee thereof and out of such amounts to defray all amounts due by the Member to the person from whom the Member acquired the Share Block and thereafter to defray all amounts due to the Company and thereafter to pay any remaining balance to the Member. The remedy in this clause shall not prejudice the Company's right to sell the Member's Share Block together with his right, title and interest in this agreement and the Loan Obligation; and

16.2.3 the Company shall be entitled without prejudice to any other rights which it has, but subject to the rights of any seller of the Share Block who has a lien on the shares and with such seller's permission, to sell the Member's Share Block together with all amounts which may have been advanced by the Member to the Company and his rights under this agreement and the Loan Obligation. Such sale may be made on behalf of and in the name of the Member. The proceeds of the sale shall in the first instance be utilised to redeem any amount due by the Member to the person from whom the Member acquired the Share Block and thereafter to redeem any amount due by the Member to the Company. Should any balance remain after the said amounts have been reduced it shall be paid to the Member, but should the proceeds be insufficient to redeem the said amounts, the Member shall remain liable for the shortfall.

This document constitutes an irrevocable power of attorney by the Member in favour of the Company given in *rem suam*, to represent the Member and to bind him to the sale contemplated in clause 16.2.2 above.



17. RULES

17.1 Apart from the provisions of the Act, the Company's Memorandum and Articles of Association and of this agreement, the Residences and the Property (including the use of the Common Property) shall be controlled and managed by way of Rules.

17.2 The Company's directors shall make the said Rules which shall become binding as soon as they have been adopted by a resolution of the directors. Any Rule made by the directors as set out above may be set aside:

17.2.1 in writing by a majority in value of the Members of the Company; or

17.2.2 by a majority in value of the Members of the Company in a general meeting of Members.

17.3 The Company's directors may from time to time revoke any Rule or alter it or add to it, provided that any Rule so revoked, altered or added may be set aside:

17.3.1 in writing by a majority in value of the Company's Members; or

17.3.2 by a majority in value of the Company's Members in a general meeting of Members.

17.4 The above-mentioned Rules may relate to the control, management, administration, use and enjoyment of the Residences, reservations procedures and letting of the Residences to persons other than the Members. Without derogating from the generality of the foregoing, the said Rules may in particular relate to the following:

17.4.1 the neatness and general appearance of the Residences and the Common Property;

17.4.2 the general behaviour of the Member and other occupiers and users of the Residences and the Common Property so as to ensure that no Member or other occupier creates a nuisance in a Residences or on the Common Property;

17.4.3 the use of any facilities of the Residences and the Common Property which may be available to the Member;

17.4.4 such other matters in the interest of the comfort and general well-being of occupiers of Residences;

17.5 Should any Rule made in terms of this clause (17) be in conflict with any provision of this agreement, the provision of this agreement shall prevail.

18. DAMAGE TO THE RESIDENCES / INSURANCE

18.1 Should the Residences be materially damaged or destroyed, the Company shall be obliged as soon as practically possible to restore or rebuild it. The Member shall, however, have no claim for damages, or



for cancellation of this agreement if as a result of such damage or destruction he is not able to occupy the Residences nor shall he have any such claim against the Company by virtue of any other consequence of such damage or destruction. The Company shall be entitled when restoring or rebuilding the Residences to alter the form or method of construction thereof, provided that the altered Residences shall be materially of the same dimensions and be materially in the same location on the Common Property as the previous Residences. In spite of the foregoing provisions of this clause, the Company shall not be obliged in restoring or rebuilding any damaged or destroyed Residences to expend more than the amount received by the Company from its insurances under a claim lodged in respect of the said damage or destruction. The Company is obliged to restore or rebuild damaged or destroyed Residences as set out in this clause (18.1) notwithstanding that the damage or destruction may have been caused by the fault of a Member. Without prejudice to any

other rights which the Company may under such circumstances have against the Member, the Company shall be entitled to claim from the Member any damages suffered by it as a result of such damage or destruction caused by his fault.

- 18.2 The Company is obliged to keep all the Residences insured for their full replacement value from time to time against damage and/or destruction by fire and such other risks as dwellings are customarily insured against. The Company shall timeously pay the premiums and shall from time to time adjust the amount of the insurance cover if this is necessary to keep the Residences insured at all times for their full replacement value.
- 18.3 Should the Member be precluded from occupying the Residences during any period of his Primary Use Time due to it having been damaged or destroyed as contemplated in clause 18.1 above, the Company shall refund to the Member *pro rata* his annual levy contribution (not including any special levy as contemplated in clause 9.3).
- 18.4 In the event of a dispute concerning any matter arising out of the provisions of clause 18.1, 18.2 or 18.3 above, the dispute will be decided by an architect appointed by the Company's directors and his decision will be final and binding on the parties. The cost in obtaining the Architect's decision shall be paid by the party against whom the decision is mainly given.

19. SECTIONAL TITLE

The Company may cause a sectional title register to be opened in respect of the Residences and the Common Property.

20. WARRANTY

The Company hereby warrants unto the Member that:



- 20.1 the original registered owner of each share block in the Company concluded a written use and occupation agreement with the Company relating to the Residences and each Primary Use Time and that all the said use agreements are subject materially to the same terms and conditions as are contained in this agreement;
- 20.2 the Company shall not agree to any amendment, addition or consensual cancellation of this agreement without the prior written consent of not less than 75% (SEVENTY-FIVE PERCENT) in number of the Company's Members from time to time.

21. INDULGENCE

No indulgence by the Company with regard to the performance by the Member of any obligation in terms of this agreement, shall under any circumstances prejudice the Company's rights or novate this agreement and the Company shall in spite of such indulgence at all times be entitled to enforce punctual performance by the Member of all obligations assumed under this agreement.

22. CONFLICTING PROVISIONS

In the event of a conflict between the provisions of this agreement and the provisions of the Act, the provisions of the Act shall prevail.

23. COMMENCEMENT OF RIGHTS AND OBLIGATIONS

Notwithstanding that the Member's right to occupy, use and enjoy the Residences is limited to the Primary Use Time during every year, the parties' rights and obligations in terms of this agreement commence as soon as this agreement has been signed by the Company and the Member.

24. MANAGEMENT

It is recorded that the Company has entered into a management agreement with the Managing Agent for the management of the Residences and the Common Property and the provision of certain facilities to occupiers of Residences. The Managing Agent shall be entitled to claim a fee amount of 15 % of the total Management Fee (excluding VAT).

During the currency of such agreement, the Management Agreement can only be terminated by the Company upon breach by the Management Agent.



THUS DONE AND SIGNED AT _____ ON THIS THE ____ DAY OF
_____ 20__.

AS WITNESSES:

1. _____

2. _____

SELLER

THUS DONE AND SIGNED AT _____ ON THIS THE ____ DAY OF
_____ 20__.

AS WITNESSES:

1. _____

2. _____

PURCHASER



ANNEXURE "C"

RULES

for

**PEZULA PRIVATE RESIDENCE CLUB SHARE
BLOCK COMPANY LIMITED**



1. INTERPRETATION

All terms capitalized in this Agreement shall, unless the context otherwise requires, have the meanings ascribed to them hereunder whether used in singular or plural form. All references to the sections are to sections of this Agreement unless the context otherwise requires.

- 1.1 "Additional Scheme Benefits" shall mean, as and when available, the Pezula Exchange Program, the Resale Programme and the Rental Program as more particularly described in these Rules.
- 1.2 "Sale Agreement" shall mean those general terms and the Sale Agreement between the Seller and the Purchaser referred to herein.
- 1.3 "Annual Management Fee" shall mean the annual charge payable by the Member to the Company and/or the Managing Agent, which is each Member's pro-rata portion of the funds required to cover the costs, as projected by the Directors or the Management Company (as the case may be) at or prior to the start of a Use Year, to discharge the cost and expenses projected in the Annual Operating Budget for the Use Year as adjusted for the actual expenses and the Managing Agent's fee. At inception of the Scheme an Annual Management Fee has been established per share block per year.
- 1.4 "Annual Operating Budget" shall mean the projected estimate by the Directors or Managing Agent for the forthcoming Use Year of all the ongoing operating and long term expenses of the Scheme whether for operations, maintenance, repair, replacement, refurbishment, reserves, taxes, insurance, administrative expenses or otherwise and The Management Fee.
- 1.5 "Authorised User" shall mean any person who is authorised by the Managing Agent to occupy the Property.
- 1.6 "Company" shall mean Pezula Private Residence Club Share Block Company Limited.
- 1.7 "Directors" shall mean the directors from time to time of the Company.



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- 1.8 "Force Majeure Event" shall mean any event beyond the control of the Seller and/or the Managing Agent including, but not limited to, war (whether declared or not), acts of sabotage or terrorism, natural disasters such as violent storms, earthquakes, tidal waves, floods or lightning, explosions, fires, strikes and acts of authority, whether lawful or unlawful.
- 1.9 "Good Standing" shall refer to Members (or, in relation to deceased Members, their estates) who have paid to date the Purchase Price and all Annual Management Fees and other charges including, but not limited to, late payment charges, interest and service charges.
- 1.10 "Management Fee" shall mean the remuneration payable to The Managing Agent for the discharge of its services hereunder.
- 1.11 "The Managing Agent" shall mean Pezula Resort Hotel & Spa (Pty) Ltd.
- 1.12 "Member" shall mean the Purchaser who has become a shareholder in the Company, and his or her successors and assigns. The term Member and Purchaser may be used interchangeably in the Agreement.
- 1.13 "Membership" shall mean the rights and obligations of a Member arising from being a shareholder in the Company relating to the occupancy of the Private Residence and the participation of the Member in the Additional Scheme Benefits.
- 1.14 "Pezula Exchange Programme" shall mean the programme established and operated by The Registry Collection of International Residences or under any other name and as may be amended from time to time, whereby Pezula Private Residence Club members can, upon payment of an exchange fee, exchange stays at participating resorts, and other products world-wide, as more fully set out in these Rules.
- 1.15 "Pezula Exchange Agent" shall mean the agents employed at The Registry Collection to handle all PRC reservations.
- 1.16 "Pezula Private Residence Club" shall mean the brand name for a range of products and services in the fractional ownership industry by and through various subsidiaries and affiliates of Pezula.



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| 1.17 | "Primary Member" | shall mean the Member named as such in the Sale Agreement. |
| 1.18 | "Primary Use Time" | shall mean the twenty-one (21) nights per share block owned during which the Member is entitled to occupy a Residence as described herein or to exercise the Additional Scheme Benefits in lieu of occupancy. |
| 1.19 | "Priority Reservation Period" | shall mean 1 October to 31 December |
| 1.20 | "Property" | means the five luxury Residences established on:
Erf 12414, Knysna in the municipality of Knysna, Province of Western Cape, in extent 9457 square metres (hereinafter referred to as "Resort Residences") which Residences are owned by the Company; |
| 1.21 | "Purchase Price" | shall mean the Purchase Price set out in the Sale Agreement. |
| 1.22 | "Purchaser" | shall mean the Purchaser named in the Sale Agreement. |
| 1.23 | "Representative" | shall mean the duly authorised representative of a Member, as provided in the Articles of Association of the Company. |
| 1.24 | "Residence" | shall mean any of the fully furnished and equipped Residences on the Property, as further described in these Rules. |
| 1.25 | "Residence Type" | shall refer to the size and specifications of the Residence. |
| 1.26 | "Reservation Cycle 1" | shall mean the period commencing on the 1 st of March and ending on the 31 st of August of each Use Year. |
| 1.27 | "Reservation Cycle 2" | shall mean the period commencing on the 1 st of September and ending on the final day of February of each Use Year. |
| 1.28 | "Sale Agreement" | shall mean the document forming part of the Agreement that is executed by the Seller and Purchaser and specifies, amongst other things, the share block number, Management Fees and first Use Year selected by the Purchaser and the Purchase Price payable thereof. |



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- 1.29 "Scheme" shall mean the share block scheme operated through the Company, its Articles of Association and Rules relating to the use and enjoyment of the Properties and the Additional Plan Benefits.
- 1.30 "Scheme Occupancy Time" shall mean the nights allocated by the Managing Agent in any given Use Year for occupancy of the Property by Members during the Primary Use Time. Once all the Share Blocks have been sold, all the nights in the Use Year will be included in the Scheme Occupancy Time.
- 1.31 "Seller" shall mean the Seller names in the Sale Agreement.
- 1.32 "Use Year" shall mean each calendar year throughout the duration of the Scheme. This calendar year will be implemented by the Managing Agent and will always be available for inspection by the Member.
- 1.33 "Week" shall mean a period of seven (7) consecutive nights and need not correspond to calendar week.
- 1.34 "Maximum Occupancy" shall mean the maximum number of persons permitted to occupy a residence as being 4 adults and 2 children under 12 years of age."

2. RIGHTS OF THE MEMBER

2.1 Occupancy Rights

The first Use Year of occupancy for each Member under the Scheme shall be set out in the Sale Agreement. Purchaser will be allocated to Reservation Cycle 1 or 2.

There are seventy (70) Share Blocks in the Scheme. There are two (2) types of rights of occupancy available in the Scheme:

2.1.1 Primary Use Time

For each Share Block owned, a Member may occupy a Residence for a total of twenty-one (21) nights per annum, in accordance with the reservation rules described herein.

Members may exercise the Additional Scheme Benefits in lieu of occupancy during the Primary Use Time. Unused Primary Use Time may not be carried forward for use in the future years.



The Primary Use Time does not entitle a Member to occupy any nights, or exercise the Additional Scheme Benefits in lieu thereof, that another Member may have exchanged under the Pezula Exchange Programme.

During the Priority Reservation Period, a Member is only allowed to reserve his twenty-one (21) nights during the reservation cycle allocated. Reservation Cycles will alternate every Use Year, permitting members to have access to Residences at different times every year throughout the duration of the Scheme.

After the end of the Priority Reservation Period, during the open schedule, a member may request a reservation for any time in the Use Year, which will be granted subject to availability.

3. RESERVATION RULES

3.1 Reservation of Residences

A Member who wishes to occupy a Residence must make a reservation request during the Priority Reservation Period designating the desired date of occupancy in terms of his Priority Occupying Time and the Member must receive confirmation from The Managing Agent prior to occupancy. Reservation requests will be processed in order of receipt by the Pezula Exchange Agent . Reservation requests and confirmations may be made by telephone, mail, fax and such other reasonable means, as The Pezula Exchange Agent may determine.

No reservation may exceed the maximum occupancy. An additional Residence will be required if the size of the party exceeds this maximum.

The specific rules for occupancy reservations of Primary Use Time, are set out in the further details hereunder.

4. RESERVATIONS PROCEDURE

4.1 Primary Use Time

Primary use time means the 21 nights per Share Block during which the member is entitled to occupy at the Residences within the Members Reservation Cycle.

Members do not have to take all of their Primary Use Time consecutively but can elect to take it when it suits them, subject to availability and the reservation rules regarding stays that include Friday nights, detailed below.

Members may only utilize a maximum of 7 nights during the period mid-December to mid-January of each year, so as to give a many members as possible the opportunity to enjoy this peak period.



Reservation Cycle will mean Reservation Cycle 1 (one) and Reservation Cycle 2 (two); Reservation Cycle 1 (one) will be from 1st March until 31st August; Reservation Cycle 2 (two) will be from 1st September until the last day of February. All members will be allocated to a Reservation Cycle at the commencement of their membership; this allocation will be done by the Directors or the Managing Agent and will provide all members equal access within their respective Reservation Cycles.

There will be a mandatory rotation from one Reservation Cycle to the next from year to year. Members will be entitled to make reservations of all their Primary Use Time during the Priority Reservation Period.

4.1.1 General Reservation Policies

Members will only be entitled to reserve or occupy one (1) Residence concurrently per Share Block. Should members require the use of more than one Residence, this request can be submitted to the Pezula Exchange Agent who in his discretion may grant such a request based on availability.

Stays that include a Friday night or Saturday night require a 2-night minimum length of stay when reserved more than 72 hours in advance of the date of arrival. By way of illustration, a Thursday and Friday stay; a Friday and Saturday stay; or a Saturday and Sunday stay. This restriction does not apply to reservations made within 72 hours of arrival.

Members shall be entitled to designate third parties to use their Primary Use Time to occupy the residence in the place of the Member. Reservations for such occupancy must be made by the members. Members must inform Pezula Exchange Agent of the required personal details of the guests at least 24 hours in advance of arrival and upon check in the guests must provide written confirmation from the member that they are such member's guests. Members will ensure that third parties are aware of all the terms and conditions pertaining to occupancy of the Residences contained herein as well as in the Use Agreement.

Members are entitled to make their Primary Use Time reservations for the following Use Year within the Priority Reservation Period which runs from the 1st October to the 31st December.

4.1.2 Reservation Cycles

The Reservation Cycle only governs the ability to make reservations for Primary Use Time during the Priority Reservation Period. From the first of January each year it is an open calendar and Members may request a reservation for any period during the Use Year, which will be granted based on availability.

The Member may elect to place some of the Primary Use Time into the Exchange Program. This has to be done during the Priority Reservation Period by advising Pezula Exchange Agent in writing, by fax,



mail, or email, or such method as Pezula Exchange Agent may reasonably determine, of the nights which the Member wishes to apply in this way.

4.1.2.1 Reservations made up to 30 days prior to arrival

Once the Priority Reservation Period is closed, Members shall be entitled to reserve primary use nights during the open schedule for any time during the Use Year, regardless of the Reservation Cycle that they are assigned to, up to 30 days in advance of the date of arrival. This will be granted by the Managing Agent based on availability. Every effort will be made to accommodate the Member's request.

Members can do this as long as they have unused Primary Use Time. Unused Primary Use Time in respect of a member means that such time has not been reserved anywhere in the Use Year by the member, or not made available to the Pezula Exchange Programme.

4.1.2.2 Short stay reservations made 72 hours or less before arrival

Members shall be entitled to reserve short stays, one (1) to (3) nights on a day to day basis. This will be granted by the Managing Agent on availability. Every effort will be made to accommodate Member's request.

Members can make short reservations, as long as they have unused Primary Use Time.

4.2 Waiting List Rules

There will be a waiting list for members who wish to reserve Primary Use Time which is already reserved by other members.

Members shall be entitled to put their names on the waiting list for a maximum of 2 stays not exceeding 7 nights each stay, up to 180 days in advance of the desired date of arrival.

Nights in occupancy as a result of being on the waiting list will be applied to Primary Use Time, unless already used or reserved.

4.3 Cancellations

Members shall be entitled to cancel Primary Use Time reserved for occupancy up to 14 days prior to the date of arrival. If members who have reserved Primary Use Time for occupancy fail to cancel their reservation or do not occupy, the relevant residence shall be kept empty for member's occupancy for the reserved nights and members shall lose the reserved Primary Use Time. Members who cancel their reservation of Primary Use Time shall not be entitled to rebook those previously reserved nights for a period of 7 days from date of cancellation.



Cancellations are to be communicated by email to the Pezula Exchange Agent within the limits stipulated:

Peak Time: 7 days' notice period

Shoulder Time: 14 days' notice period

5. GENERAL

The Members:

- 5.1 shall not use the Residences or permit them to be used in such a manner as shall be injurious to the reputation of the Company;
- 5.2 shall not contravene or permit the contravention of any law, bylaw, ordinance, proclamation, statutory regulation or the conditions of licence of the Residences or the conditions of title applicable to the Residences;
- 5.3 shall not make alterations to the Residences and shall not effect any improvements thereto without the written consent of the Managing Agent;
- 5.4 shall not keep anything or do anything on the Property after receipt of written notice by the directors or manager reasonably forbidding same;
- 5.5 shall not damage or destroy any plants, shrubs or trees on the Property;
- 5.6 shall not keep any animal or bird in the Residences;
- 5.7 shall not erect or affix any advertisement, boards or notices in or on any part of the Property or allow same to be affixed;
- 5.8 shall not leave refuse of any kind or allow it to be left in the Residences or on any part of the Property except at such a place or in such receptacles as are specifically provided therefore;
- 5.9 shall not display or hang any washing or allow it to be displayed or hung anywhere on the Property except in the area especially set aside for that purpose;
- 5.10 shall not use the Residences or allow them to be used for any purpose other than a holiday accommodation;
- 5.11 shall not do or allow the doing of anything in the Residences or on the Property which may constitute a nuisance to occupants of other Residences or may cause injury or damage to or endanger any persons or property whatsoever;
- 5.12 shall leave the Residences in the same good and clean condition as a member should expect to find it;



- 5.13 shall return all keys of the Residences to the hospitality operator before departing at the end of the member's stay;
- 5.14 shall check the Residences and its contents with the hospitality operator or other Residence representatives before departure at the end of the member's stay, and shall forthwith pay for all damages and breakages which are not as a result of fair wear and tear.

6. COMMENCEMENTS OF RULES

These Rules have been adopted and approved by the directors of the Company with effect from 24th March 2006, as amended by shareholders in general meeting from time to time, and shall be binding on all members of the Company.



ANNEXURE "D"

SHAREHOLDER PARTICULARS

FULL NAMES: _____

(If legal entity, full particulars of entity representative.)

LEGAL ENTITY (IF APPLICABLE) : _____

ID /PASSPORT/ REG.No: _____

PHYSICAL ADDRESS: _____

_____ CODE : _____

POSTAL ADDRESS: _____

_____ CODE : _____

TELEPHONE No: + _____ (_____) _____

MOBILE No : + _____ (_____) _____

FAX No: + _____ (_____) _____

EMAIL ADDRESS: _____

ALT. TELEPHONE No: + _____ (_____) _____

