

ANNEXURE C

RULES

for

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

1 INTERPRETATION

All terms capitalized in these Rules 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 these Rules unless the context otherwise requires.

- 1.1 "**Annual Levy**" shall mean the annual charge payable by the Shareholder to the Company and/or the Managing Agent, which is each Shareholder's pro-rata portion of the funds required to cover the costs, as projected by the Directors or the Managing Agent (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.
- 1.2 "**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.
- 1.3 "**Authorised User**" shall mean any person who is authorised by the Company's Directors to occupy the Property.
- 1.4 "**Benefits**" shall mean, as and when available, the Registry Collection, as more particularly described in these Rules.
- 1.5 "**Company**" shall mean Pezula Private Residence Club Share Block Company Limited.
- 1.6 "**Directors**" shall mean the directors from time to time of the Company.
- 1.7 "**Force Majeure Event**" shall mean any event beyond the control of the Company 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, power outages, fires, strikes and acts of authority, whether lawful or unlawful.
- 1.8 "**Management Fee**" shall mean the remuneration payable to the Managing Agent for the discharge of its services hereunder.
- 1.9 "**the Managing Agent**" shall mean Pezula Resort Hotel and Spa (Pty) Ltd.
- 1.10 "**Maximum Occupancy**" shall mean the maximum number of persons permitted to occupy a Residence at a time, being 4 adults and 2 children under 12 years of age.
- 1.11 "**Nights**" shall mean the twenty-one (21) nights per Share Block owned by a Shareholder during which such Shareholder is entitled to occupy a Residence for each Use Year as described herein or to exercise the Benefits in lieu of occupancy.
- 1.12 "**Peak Period**" shall mean the periods during which the demand for use of the Residence is commonly the highest, as defined by the Board from time to time, typically following the SA Government School holidays, and communicated prior to the commencement of the Priority Reservation Period.
- 1.13 "**Peak Week**" shall mean a Week (Friday to Friday) falling within the Peak Periods of a Shareholder's allocated cycle that can be reserved, if available, during the Priority Reservation Period.
- 1.14 "**Pezula Private Residence Club**" shall mean the brand name for a range of products and services provided by or in respect of the Company.

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- 1.15 **"Priority Reservation Period"** shall mean 1 October (or if 1 October is not a Business Day, the first Business Day in October) to 31 October (or if 31 October is not a Business Day, the last Business Day of October) of each year.
- 1.16 **"Property"** shall mean the five luxury Residences established on Erf 12414, Knysna in the municipality of Knysna, Province of Western Cape, in extent 9457 square metres which Residences are owned by the Company;
- 1.17 **"Purchase Price"** shall mean the purchase price set out in the Sale Agreement.
- 1.18 **"Purchaser"** shall mean the purchaser named in the Sale Agreement signed by the Shareholder in question.
- 1.19 **"Registry Collection"** 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.
- 1.20 **"Registry Collection Agent"** shall mean the agents employed at The Registry Collection to handle all reservations in respect of the Residences and exchange stays at participating Registry resorts.
- 1.21 **"Representative"** shall mean the duly authorised representative of a Shareholder.
- 1.22 **"Residence"** shall mean any of the fully furnished and equipped Residences on the Property, as further described in these Rules.
- 1.23 **"Residence Type"** shall refer to the size and specifications of the Residence.
- 1.24 **"Reservation Cycle 1"** shall mean the period commencing on the 1st of March and ending on the 31st of August of each Use Year.
- 1.25 **"Reservation Cycle 2"** shall mean the period commencing on the 1st of September and ending on the final day of February of each Use Year.
- 1.26 **"Sale Agreement"** shall mean the Sale Agreement in terms of which a Shareholder acquires a Share Block and which specifies, amongst other things, the Share Block number acquired by the Purchaser, the Purchase Price and the first Use Year selected by the Purchaser.
- 1.27 **"Scheme"** shall mean the share block scheme operated through the Company subject to its MOI and these Rules relating to the use and enjoyment of the Properties and the Benefits.
- 1.28 **"Seller"** shall mean the seller named in the Sale Agreement.
- 1.29 **"Share Block"** shall mean a share block:
- 1.29.1 numbered as indicated in the MOI;
 - 1.29.2 which consist of the number of shares in the Company indicated in the MOI, which shares have a nominal value as shown in the MOI;
 - 1.29.3 which in terms of the MOI affords to its beneficial owner the right to use a Residences in terms of this Use Agreement for the Nights.

- 1.30 "**Shareholder**" shall mean the registered owner of a Share Block who has become a shareholder in the Company, and his or her successors and assigns.
- 1.31 "**Week**" shall mean a period of seven (7) consecutive nights and need not correspond to calendar week.
- 1.32 "**Use Agreement**" shall mean a use agreement concluded between the Company and a Shareholder in respect of a Share Block owned by such Shareholder.
- 1.33 "**Use Year**" shall mean each Financial Year (1 March to the final day of February) throughout the duration of the Scheme.

Terms which are used but not defined in these Rules, but which are defined in the Sale Agreement or the Use Agreement, shall have the meaning ascribed to them in the Sale Agreement or the Use Agreement, as the case may be, for purposes of these Rules.

2 RIGHTS OF THE SHAREHOLDER

2.1 Occupancy Rights

- 2.1.1 The first Use Year of occupancy for each Shareholder under the Scheme shall be set out in the Sale Agreement. The Purchaser will be allocated to Reservation Cycle 1 or Reservation Cycle 2.
- 2.1.2 There are seventy (70) Share Blocks in the Scheme.

2.2 Nights

- 2.2.1 For each Share Block owned, a Shareholder may occupy a Residence for a total of twenty-one (21) Nights per Use Year, in accordance with the reservation rules described herein.
- 2.2.2 Shareholders are not obliged to make use of all of their Nights consecutively but can elect to make use of such number of Nights as and when they choose to do so, subject to the availability of the Residences and these Rules. Shareholders may only utilize a maximum of 7 nights per Share Block owned during the period mid-December to mid-January of each Use Year, so as to give as many Shareholders as possible the opportunity to enjoy this peak period.
- 2.2.3 Shareholders may exercise the Benefits in lieu of occupancy during the Use Year. Unused Nights may not be carried forward for use in the future Use Years, but may be "banked" in 7 night multiples with the Registry Collection.
- 2.2.4 During the Priority Reservation Period, a Shareholder is only allowed to reserve 1 Peak Week (Friday – Friday) during the reservation cycle allocated to his Share Block.
- 2.2.5 If a Shareholder reserves any Residence for a Peak Week during the month of December of any Use Year, that Shareholder will not be entitled to reserve a Peak Week during December of the immediately following Use Year.
- 2.2.6 Reservation Cycles will alternate every Use Year, permitting Shareholders to have priority access to Residences at different times every year throughout the duration of the Scheme.

2.2.7 After the end of the Priority Reservation Period, a Shareholder may request a reservation for any time in the Use Year in question, which will be granted subject to availability (other than as set out in 2.2.5 above).

2.2.8 The Managing Agent and the Registry Collection are only permitted to make reservations for the following Use Year from 1 December of the immediately preceding Use Year.

3 RESERVATION RULES

3.1 A Shareholder who wishes to occupy a Residence must make a reservation request by contacting the Registry Collection Agent directly. Reservation requests will be processed in order of receipt by the Registry Collection Agent. Reservation requests and confirmations may be made by telephone, mail, fax and such other reasonable means, as The Registry Collection Agent may determine.

3.2 A Shareholder's reservation shall only be regarded as having been confirmed if he has received written confirmation from the Registry Collection Agent or the Managing Agent of his reservation prior to occupancy and, if later than 1 June of the Use Year, the levies due and payable in respect of such Use Year and any outstanding amounts due by the Shareholder to the Company (including for the benefit of doubt any interest due on overdue levies) have been paid in full in accordance with the provisions of the Use Agreement.

3.3 No reservation may exceed the Maximum Occupancy. An additional Residence will be required if the size of the party exceeds the Maximum Occupancy. Exceptions to the Rules regarding the number of persons occupying a Residence may only be considered by the Directors if the Shareholder is in residence. Approval must be obtained in writing from the Board at the time of the reservation. Exceptions to this ruling will not be considered for Hotel or Registry Exchange guests, and the Shareholder must be in residence at the time.

3.4 The specific rules for occupancy and reservations of Nights are set out in the further details hereunder.

4 RESERVATIONS PROCEDURE

4.1 General Reservation Policies

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

4.1.2 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, these stays will include 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 immediately prior to arrival.

4.1.3 Shareholders shall be entitled to designate third parties to use their Nights to occupy the residence in the place of the Shareholder, but any such use may not be on a lettings or any similar commercial basis (i.e. the Shareholder may not receive any financial or other benefit for such use). Reservations for such occupancy must be made by the Shareholder in question. Shareholders must inform Registry Collection Agent of the required personal details of the guests at least 72 hours in advance of arrival and upon check in the guests must provide written confirmation from the Shareholder that they are such Shareholder's guests. Shareholders 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. Any breach of such terms and conditions by such third parties will constitute a

breach of these Rules or the Use Agreement, as the case may be, by the Shareholder in question.

- 4.1.4 Shareholders are entitled to make their Nights reservations for the following Use Year from the start of the Priority Reservation Period, being 1 October (or if 1 October is not a Business Day, the first Business Day of October) of each year.

4.2 **Reservation Cycles**

The Reservation Cycles only govern a Shareholder's ability to make reservations in respect of Peak Periods during the Priority Reservation Period. From the first of November during each current Use Year it is an "open calendar" (other than for the hotel and Registry) and Shareholders may request a reservation for any period during the Use Year in question, which will be granted based on availability and subject to 2.2.5 above.

4.3 **Banking nights with Registry**

- 4.3.1 The Shareholder may elect to place some of the Nights into the Registry Collection, in 7 night increments. This has to be done before 31st November of the current Use Year by the Shareholder advising the Registry Collection Agent in writing, by fax, mail, or email, or such method as the Registry Collection Agent may reasonably determine, of the Nights which the Shareholder wishes to apply in this way.
- 4.3.2 Unused Nights may not be carried forward for use in future Use Years. Unused Nights should, to the extent required, be banked into the Registry Collection, as stipulated above, if they are not to be lost. Any Nights unused that cannot be banked in the multiple of 7 nights with the Registry Collection (in accordance with the Registry Collection's requirements from time to time) will be lost.

4.4 **Waiting List Rules**

- 4.4.1 There will be a waiting list for Shareholders who wish to reserve Nights which are already reserved by other Shareholders.
- 4.4.2 Shareholders 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.

4.5 **Cancellations**

- 4.5.1 Shareholders shall be entitled to cancel Nights reserved for occupancy up to 21 days prior to the date of arrival (throughout the year). If Shareholders who have reserved Nights for occupancy fail to cancel their reservation at least 21 days prior to the date of arrival or do not occupy the Residences, the Shareholder will automatically forfeit the reserved Nights.
- 4.5.2 Cancellations are to be communicated by email to the Registry Collection Agent before the minimum cancellation period of 21 days.
- 4.5.3 Any cancellation notice period exceptions must be addressed to the board in writing before the date of arrival and only severe health related or death exceptions will be considered.

4.6 **Late Arrivals**

- 4.6.1 Shareholders who are late arrivals, that is not arriving on the first original reserved day of arrival at the Residences, shall forfeit the Nights that they are late in arriving for unless they

notify the Registry Collection agent 21 days prior to the first originally reserved date of arrival.

- 4.6.2 Late arrivals are to be communicated by email to the Registry Collection Agent before the minimum cancellation period of 21 days.

5 GENERAL

5.1 The Shareholders:

- 5.1.1 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;
- 5.1.2 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;
- 5.1.3 shall not make alterations to the Residences and shall not affect any improvements thereto without the written consent of the Board;
- 5.1.4 shall not keep anything or do anything on the Property after receipt of written notice by the directors or manager reasonably forbidding same;
- 5.1.5 shall not damage or destroy any plants, shrubs or trees on the Property;
- 5.1.6 shall not keep any animal or bird in the Residences;
- 5.1.7 shall not erect or affix any advertisement, boards or notices in or on any part of the Property or allow same to be affixed;
- 5.1.8 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;
- 5.1.9 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;
- 5.1.10 shall not use the Residences or allow them to be used for any purpose other than a holiday accommodation;
- 5.1.11 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;
- 5.1.12 shall leave the Residences in the same good and clean condition as a Shareholder should expect to find it;
- 5.1.13 shall return all access cards/keys of the Residences to the hospitality operator before departing at the end of the Shareholder's stay, and shall pay for the replacement of any access cards/keys accidentally taken on departure; and

5.1.14 shall check the Residences and its contents with the hospitality operator or other Residence representatives before departure at the end of the Shareholder's stay, and shall forthwith pay for all damages, removed or lost items and breakages which are not as a result of fair wear and tear.

5.2 Shareholders shall not be entitled to let or sub-let or otherwise temporarily alienate his right to occupy the Residences to a third party. In the event of a breach of this clause 5.2, the Shareholder shall forfeit all his remaining Nights for the Use Year in question and all reservations already made by that Shareholder in respect of the Use Year in question will automatically be cancelled.

6 COMMENCEMENTS OF RULES

These Rules have been adopted and approved by the Directors and the Shareholders with effect from 6 December 2016, as amended by the Directors or Shareholders in general meeting from time to time, and shall be binding on all Shareholders.

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: + _____ (_____) _____