



PEZULA PRIVATE RESIDENCE CLUB Q & A

- **What is a Private Residence Club (PRC)?**

A PRC represents the pinnacle of quality - not just among fractional interests but in comparison with virtually any resort accommodations available - due to a combination of locations in the top tier of resort destinations on prime sites, extraordinary architecture and design, and the highest levels of services and amenities. "Five star" quality in every way.

- **What is the Pezula Private Residence Club (PPRC)?**

The Pezula Private Residence Club is an exclusive club which offers luxurious, architect-designed residences at Pezula, one of the finest resort locations that South Africa has to offer. The Pezula PRC is modeled on international best practices but extended to provide an offering that is unique in its luxury residences, superior amenities, deluxe services and access to the Pezula hotel. In essence the most exclusive club in Africa.

- **Why was the concept developed?**

Primarily the concept was developed to combine the benefits of second home ownership with the amenities and services available from a world class luxury hotel and secondly because it makes financial sense. The PRC offers an attractive, problem free way to balance your vacation time usage to the investment you make in a second home.

- **What are the advantages of Private Residence Club ownership?**

- To own luxury homes at a fraction of the cost and thus to enjoy award-winning design, furnishings, equipment and premier locations.
- To enjoy services equivalent to a five star hotel which is not usually available to second home owners.



- To have the use of an extensive range of amenities to enjoy your leisure time.
- To invite family, friends and clients to enjoy your Club.
- To know that the properties are professionally managed, avoiding maintenance hassles and concerns typically associated with second homes.
- To minimize the financial investment through fractional ownership.
- To open up more options to more destinations.

- **Who are Private Residence Clubs really for?**

The PRC is ideal if you want the benefits of owning an impressive second home complete with personalized services and located in a very exclusive community but can't justify the investment because of limited use.

- **Is a Private Residence Club the same as Fractional Ownership?**

The PRC is a clearly differentiated product positioned at the top end of the fractional ownership category, and measures up to those criteria to be regarded as a Private Residence Club.

- **Is ownership in a Private Residence Club the same as owning real estate?**

You enjoy all the rights and privileges of owning real estate through holding shares in a share block company which has ownership to the underlying property. This means, you can sell your share at any time at any price, bequeath your share to your heirs, allow friends to use it, invite guests to share it with you and of course enjoy it yourself.



- **Is a Private Residence Club the same as time share?**

The only way in which these luxury products can conceivably be deemed similar to timeshare is that time is used as the way in which to split up the use and ownership of the property. In every other way it is fundamentally different and most owners think of fractional ownership and in particular Private Residence Clubs as being more like traditional whole ownership.

- **How many shareholders are there in the Pezula Private Residence Club?**

70 shareholders.

- **Who controls the Pezula Private Residence Club and its Policies?**

The Pezula Private Residence Club is controlled through the Memorandum of Incorporation, The Use Agreement, Rules and the Board of Directors (who are elected each year at the Company's AGM).

- **Are shareholders allowed to make changes to the residences or its interiors?**

No. The success of the Private Residence Club concept depends on maintaining professionally designed and delivered residences. This is achieved through appointing award-winning architects and interior designers and allowing them to deliver their very best work. The board is empowered to make changes to the residences, especially the interiors, from time to time in order to maintain the Pezula PRC residences to the highest standards.

- **Will the residences be maintained and refurbished to five star quality?**

The Pezula Private Residence Club is unequivocally committed to maintaining the residences to the luxury, five star standards as set. The reserves to achieve this is built into the annual levy.



- **How often can shareholders stay at a residence?**

Shareholders can stay as often as they choose up to the total of 21 nights, subject to the Use Agreement and Rules (both of these documents are available for perusal on the Company's website at www.pezulaprc.com) and availability.

- **Do all shareholders have equal access and equal privileges at all times?**

Yes. We have only one level of shareholding. This ensures that all shareholders have common interests and goals and that the Pezula PRC does not have mixed agendas relative to different share types. All our shareholders are privileged and no one is permitted to monopolize holidays and other high-demand dates at the expense of other shareholders.

- **How can I be sure that I will get the time I want?**

By understanding the reservation policies and process which has been designed to be fair and equitable and ensuring that you avail yourself of those. A Registry specialist will always be available to deal with your request to ensure the best fit.

- **Do Pezula Private Residence Club shareholders always stay in the same residence?**

Each of the residences in each of the locations has been appointed to exactly the same level of luxury and shareholders are not restricted to a particular residence.

- **Can Pezula Private Residence Club shareholders reserve more than one residence in the same period?**

Yes, because we do not restrict shareholders to a particular residence we can accommodate this requirement, subject to availability and the reservation policies.



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- **Do Pezula Private Residence Club shareholders have guest privileges?**
Yes, when shareholders and/or their guests are in residence the guests are most welcome at the facilities of the Pezula hotel, subject to specific use agreements.
- **Are the residences maintained on a daily basis as for a five star hotel?**

Absolutely.
- **Can a Pezula Private Residence Club share be resold?**

The shares in the company may be freely traded.
- **Can more than one family or individual own a single Pezula Private Residence Club share?**

Yes. The mechanism for this is determined entirely by the buyer and has to be set up independent of the Pezula Private Residence Club. The Pezula Private Residence Club will have one registered shareholder entity (a trust or whatever entity the buyer has put in place).
- **Can a corporate entity own a club share?**

Yes.
- **Do Pezula Private Residence Club shareholders pay annual fees (levies)?**

Shareholders pay an annual levy, which pays for the professional management and operation of the Pezula Private Residence Club. These annual fees are each shareholder's pro-rata portion (one 70th) of the funds required to cover the costs, which include, but are not limited to: the ongoing administration of the club, the reservation system, the exchange program (exchange program annual fees and other charges are for shareholder's own account), TV licenses and satellite, staff salaries, supplies, maintenance, gardening, cleaning, housekeeping, laundry, legal,



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accounting, auditing, fuel, utilities, property taxes, insurance, a reserve fund for the replacement and refurbishing of the facilities on a regular cycle to maintain the standards, and other costs associated with operating the Pezula PRC.

- **When will annual levies increase?**

Levies will be reviewed annually and increased, if necessary, with effect from the 1st of March each year.

- **How will any increases in the annual levies be managed?**

The Board of Directors have the authority to approve the levies within the norm of market related inflation rates, barring extraneous circumstances.

- **When do I start paying annual levies?**

From the time that the share block is transferred to yourself.

- **What happens when a shareholder does not pay their annual fees?**

The PRC will continue to function and operate without any impact from any defaults. The board will institute the agreed actions to recover the fees from the shareholder, as set out in the Use Agreement.

- **Can I rent out my time when I am not using it?**

The Pezula Private Residence Club makes nights available to the Pezula hotel for sale to outside guests, with the PPRC enjoying 70% of the revenue there from, to assist in the financing of its own operational and capital expenditures. This income doesn't accrue to any specific shareholder(s), but rather to the PRC itself, benefitting all shareholders equally. Shareholders can under no circumstance rent out their nights.



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- **What is the size and specification of the residences?**

They are spacious 2 bedroom residences with luxury bathrooms en suite, living and dining areas and kitchen. Architect designed and interior decorated to luxury five star standards. Each residence is approximately 200 square metres, of which 150 square metres is under cover; each has a private heated pool and spacious patios to enjoy the views and outside living.

- **What is the security situation at Pezula?**

Security is paramount and this has been built in as a key criteria.

- **How is a Pezula Private Residence Club share evidenced?**

Shares are transferred and registered and a share certificate is issued.

- **What is the legal structure of the Pezula Private Residence Club?**

The legal structure is a Share Block Company. The Share Block Company is governed by the Articles of Association and a Board of Directors. The owner of the shares is protected by the Share Block Act.