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

("the Seller")

and

("the Purchaser")

(collectively, "**Parties**" and a reference to "**Party**" shall be a reference to any one of them as the context requires)

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 No. 59 of 1980, as amended or re-enacted and in force for the time being;
- 1.1.2 "**this Agreement**" means this document and its schedules and annexures, as amended in writing from time to time;
- 1.1.3 "**Company**" means Pezula Private Residence Club Share Block Company Limited (registration number 2004/024967/06);
- 1.1.4 "**Effective Date**" means the date of transfer of the share block into the Purchaser's name, as contemplated in clause 7.1;
- 1.1.5 "**MOI**" means the memorandum and incorporation of the Company, as amended or replaced;
- 1.1.6 "**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 "**Residences**") which Residences are owned by the Company;
- 1.1.7 "**Purchaser**" means the Purchaser as cited above;
- 1.1.8 "**Rules**" means the rules made by the directors of the Company from time to time in accordance with the provisions of the MOI, a copy is attached hereto as Annexure "C";
- 1.1.9 "**Seller**" means the Seller as cited above or its successors in title;
- 1.1.10 "**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;
- 1.1.11 "**Use Agreement**" means the Use Agreement between the Purchaser and the Company, 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.
- 1.4 Terms which are used but not defined in this Agreement, but which are defined in the Use Agreement or the Rules, shall have the meaning ascribed to them in the Use Agreement or the Rules, as the case may be, for purposes of this Agreement.

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 MOI, the Use Agreement and the Rules, 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 levies (as further detailed in this Agreement, the Use Agreement and the Rules).
- 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 MOI of the Company.
 - 2.6.2 The latest audited annual financial statements of the Company.

3. SALE

- 3.1 The Seller hereby sells and cedes to the Purchaser, and the Purchaser hereby purchases and accepts the cession of, the Share Block set out in clause 1 of Schedule 1 subject to the provisions of this Agreement.
- 3.2 Ownership of, and all benefit of and risk in and to, the Share Block shall pass to the Purchaser on the Effective Date.

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 by the Party last signing it ("**Signature Date**"), the amount set out in clause 4 of Schedule 1 ("**the Deposit**") to be deposited with the Seller's nominated Attorney, the details of which are set out in Schedule 1, who shall hold the amount in an interest bearing account in terms of Section 78 (2) (A) of the Attorney's Act No. 53 of 1979, pending the



Effective Date. Any interest accruing on the Deposit while invested with the Attorney shall be for the benefit of the Purchaser; and

4.1.2 the balance of the purchase price in the amount set out in clause 7 of Schedule 1 shall be paid on the Effective Date and shall be secured by cash, or guarantees acceptable to the Seller's 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, No. 38 of 2001, the Seller's nominated Attorney shall be an accountable institution.

5. LOAN OBLIGATION

5.1 The loan obligation of the Company as at the Signature Date is R0 (Rand nil), as stated in clause 13 of Annexure "A".

5.2 To the extent that the Company incurs any loan obligation after the Signature Date, as contemplated in the Act and the MOI, 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 the MOI.

6. USE AGREEMENT

6.1 The Purchaser shall, prior to the Effective Date, sign the Use Agreement and provide the original signed copy to the Company; and

6.2 provide the Company with a signed securities transfer form in respect of the Share Block, signed in accordance with the provisions of the Companies Act No. 71 of 2008 and the MOI, undated and blank as to transferee.

7. TRANSFER OF THE SHARE BLOCK

7.1 Against compliance by the Purchaser with its obligations in terms of clauses 4.1.1, 4.1.2 and 6, the Seller shall cause the shares which constitute the Share Block to be duly transferred into the name of the Purchaser.

7.2 The Company shall not transfer the Share Block to the Purchaser until such time as –

7.2.1 the Company is satisfied that the Purchaser has met its obligations in terms of clauses 4.1.1, 4.1.2 and 6; and

7.2.2 the Company has counter-signed the Use Agreement.

7.3 The Company shall, pursuant to the provisions of clause 11 (Lien) of the Use Agreement, retain the original share certificate(s) evidencing the Share Block and provide the Purchaser with a certified copy of such share certificate(s).

8. OCCUPATION AND USE

From the Effective Date, the Purchaser shall be entitled to:

8.1 the possession, occupation and use of the Residences established on the Property, subject to the terms of the Use Agreement, the Rules and the MOI; and

8.2 the use of the common property on the Property.



9. PURCHASER'S ACKNOWLEDGMENTS

9.1 The Purchaser acknowledges that:

9.1.1 the Share Block is sold and purchased and voetstoots without any warranties or representations (other than those set out in clause 8), 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;

9.1.2 the Purchaser accepts the use of the Share Block and the Residences, with effect from the Effective Date, in accordance with the terms of the Use Agreement, the Rules and the MOI on a voetstoots basis;

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

9.1.3.1 the MOI of the Company;

9.1.3.2 the Use Agreement; and

9.1.3.3 the Rules.

9.2 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.

9.3 The Purchaser shall not be entitled to sell or otherwise dispose of its Share Block save in accordance with the Use Agreement, the Rules and the MOI.

10. SELLER'S WARRANTIES

The Seller warrants that:

10.1 as at the Effective Date the Company owns the Residences unencumbered;

10.2 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;

10.3 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; and

10.4 the Purchaser will be entitled to the following benefits:

10.4.1 Use of the Pezula Resort Hotel and Spa facilities normally afforded to hotel guests. These facilities include, as at the Signature Date, a gym, sauna, steam room, indoor and outdoor pool and restaurant.

11. SIGNATURE OF DOCUMENTS

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

11.1 to sign and deliver to the Seller or to the Company (as appropriate) any document necessary to give effect to this Agreement; and

11.2 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.

12. GENERAL

- 12.1 This Agreement constitutes the sole record of the agreement between the Parties.
- 12.2 Neither Party shall be bound by any representation, warranty, promise or the like not recorded herein.
- 12.3 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.
- 12.4 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.

13. BREACH AND CANCELLATION

- 13.1 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 or emailing 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.
- 13.2 If the Contract is cancelled in terms of clause 13.1:
 - 13.2.1 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 of this Agreement; and
 - 13.2.2 the Purchaser shall be liable for all fees and charges levied by the Company or its appointed managing agent in relation to the Share Block up to the date upon which the Seller exercises its rights of cancellation (if applicable); and
 - 13.2.3 the Purchaser shall not be entitled to occupation or possession of the Properties, nor shall it be entitled to exercise any rights afforded to it under the Use Agreement or the Rules, while it is in default of any of its obligations under this Agreement, or as from the date of cancellation in terms hereof.
- 13.3 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.

14. DOMICILIUM AND NOTICES

- 14.1 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:

- 14.1.1 The Seller:

Postal address: _____



Facsimile number: _____

E-Mail: _____

14.1.2 The Purchaser:

Postal address: _____

Facsimile number: _____

E-Mail: _____

14.2 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 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.

14.3 Any notice given by either Party to the other ("**the Addressee**") which:

14.3.1 is delivered by hand at the Addressee's physical 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;

14.3.2 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; or

14.3.3 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.

15. TRANSFER DUTY AND STAMP DUTY

15.1 The Purchaser shall be liable for the payment of any transfer duty payable in terms of this Agreement and any other taxes due and payable as a result of the transfer of the Share Block to the Purchaser in terms of this Agreement (save for any taxes on the income of the Seller or the Company).

15.2 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.

16. AGENT'S COMMISSION

16.1 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 fulfilment 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 12 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.



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 deposit is to be paid: Signature Date _____
- 5 Date on which the balance of the purchase price is to be paid: _____
- 6 Deposit on Signature Date : R _____
- 7 Balance of purchase price: R _____

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

- Account Name: _____
- Bank: _____
- Branch: _____
- Trust Acc No: _____
- Branch Code: _____
- Swift Code: _____
- Ref: Pezula Share Block No _____

- 8 Current annual levy (2018/19): R 41,543.42 _____ (VAT inclusive).
- 9 Effective Date: _____
- 10 Agents Commission: Will be paid by the Seller.
- 11 First Reservation Cycle allocated:
 - Cycle 1 (1 March – 31 August)
 - Cycle 2 (1 September – last day of February)
 - Available Nights (current use year)
- 12 Introductory Agent: (If any) _____



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

(Registration 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

2 Address of registered office and transfer offices: Michaelides, Parker & Kretzmann, 12 Clyde Street, Knysna 6571

3 Postal address: P.O. Box 82, Knysna, 6570

4 Date of Registration/Incorporation of Share Block Company: 31/08/2004

5 Address at which financial records are kept: Pezula Resort Hotel & Spa, Lagoonview Drive, Knysna, 6570.

6 There is no holding Company.

7 DIRECTORS AND MANAGEMENT

7.1 The current directors of the Company as at the Signature Date and their respective addresses and occupations are as follows:

7.1.1 David Aberly
Address: 4 Strawberry Fields, 26 Strawberry Lane,
Constantia, Cape Town
Occupation: Businessman
Nationality: British

7.1.2 Errol Salkinder
Address: 88 South Avenue, Athol, Gauteng
Occupation: Businessman
Nationality: South African



7.1.3 Ken Woolcott
Address: 82 Quarrywood, 13 The Straight, Lonehill, Gauteng
Occupation: Businessman
Nationality: South African

7.1.4 Tumisang Kgaboesele
Address: 27 East Road, Morningside, Sandton, 2196
Occupation: Businessman
Nationality: South African

- 7.2 The directors have been appointed for a 1 (one) year term of office until the next Annual General Meeting.
- 7.3 No rights are held by any person in respect of the appointment of any directors.
- 7.4 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 approved in accordance with the provisions of the MOI.
- 7.5 The managing agent of the Company is Pezula Resort Hotel and Spa (Pty) Ltd.
- 7.6 The managing agent manages money relating to the share block scheme operated by the Company on the Company's behalf.
- 7.7 The borrowing powers of the Company are restricted as set out in the MOI.

8 AUDITOR

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

9 SECRETARY

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

10 PROPERTY

- 10.1 The immovable properties which are subject to the Use Agreement and 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 "**Residences**") which Residences are owned by the Company.
- 10.2 The Purchaser shall be entitled to the use of the Residences, in accordance with the provisions of this Agreement, the MOI, the Use Agreement and the Rules, with effect from the Effective Date.



11 MORTGAGE BONDS

At the Signature Date no mortgage bonds are registered against the Property.

12 CONTRIBUTIONS TO LEVY FUND/LEVIES

The anticipated contribution to the Levy Fund is as set out in the transaction schedule attached to this Agreement as Schedule 1.

13 LOAN OBLIGATION

13.1 Total anticipated loan of obligation of the Company as at the Signature Date is the sum of Nil (Nil rand).

13.2 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.

14 INSURANCE

14.1 The Company and the managing agent 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.

14.2 As at the Signature Date, the details of the Company's insurers are as follows:

SATIB Insurance Brokers
Suite 12, Grantham Office Park
Keynsham Drive
Durban
4319

15 MATERIAL CHANGES

15.1 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.



ANNEXURE B – USE AGREEMENT



ANNEXURE C - RULES

