

REPUBLIC OF SOUTH AFRICA

COMPANIES ACT, 2008

**MEMORANDUM OF INCORPORATION**

**Name of Company: SODWANA BAY LODGE SHARE BLOCK LIMITED**

**Registration Number: 1989/003310/06**

("the Company")

**Incorporation**

- (1) The Company is incorporated as a Share Block Profit Company, as defined in the Companies Act, 2008.
- (2) The Company is incorporated in accordance with, and governed by-
  - (a) The unalterable provisions of the Companies Act, 2008 that are applicable to Profit companies;
  - (b) The alterable provisions of the Companies Act, 2008 that are applicable to Profit companies, subject to any limitation, extension, variation or substitution set out in this Memorandum; and
  - (c) The provisions of this Memorandum of Incorporation.



**NOTE 1**

This Memorandum of Incorporation contains statutory provisions of the Share Blocks Act in **Annexure 1** that shall apply to the Company.

**NOTE 2**

The Memorandum of Incorporation contained in Form CoR 15.1 B of the Companies Regulations, 2011 shall not apply to the Company.

This MOI was adopted in accordance with a proposal by the Board issued on ..... 20..... and adopted by a special resolution taken by the voting Members at a general meeting of the Company held on ..... 20.....

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**ANNEXURE 1 – SHARE BLOCKS ACT STATUTORY PROVISIONS**

**ANNEXURE 2 – SHARE REGISTER**

**ANNEXURE 3 – CALENDAR**

**ANNEXURE 4 – USE AGREEMENT**

## 1. INTERPRETATION

In the interpretation of this MOI and unless contrary to or excluded by the subject or context:

1.1 any word herein signifying:

1.1.1 the singular shall include the plural and vice versa;

1.1.2 the masculine shall include the feminine and the neuter;

1.2 any word herein which is defined in the Act and is not defined in article 1.6 shall bear that statutory meaning in this MOI;

1.3 any word, phrase or sentence herein which is not defined in the Act or in article 1.6 shall bear its usual meaning;

1.4 each term, power or authority herein shall be given the widest possible interpretation;

1.5 phrases as defined in the Share Blocks Act shall have the meanings so assigned and words importing Persons shall include those legal entities defined in article 1.6.15;

1.6 each of the following words and expression herein shall have the meaning stated opposite it and, where applicable, shall include the word or expression stated opposite it:

1.6.1 "Act" shall mean the Companies Act, 71 of 2008, as amended from time to time;

1.6.2 "Board" shall mean the Board of Directors for the time being of the Company elected in terms of article 17;

1.6.3 "Company" shall mean this Company;

- 1.6.4 "Buildings" means the buildings erected on the immovable property described below and known as "SODWANA BAY LODGE":
- A certain surveyed portion of Remainder of Reserve No.14, No.7638, in extent 34,9451 hectares.
- The property is held under a registered lease, which lease agreement expires on 1 December 2087.
- 1.6.5 "Chairman" shall mean the Chairman of the Board for the time being of the Company elected in terms of article 17.13;
- 1.6.6 "Director" shall mean a director for the time being of the Company elected in terms of article 17;
- 1.6.7 "Electronic Communication" shall bear the same meaning as set out in section 1 of the Electronic Communication and Transaction Act, 25 of 2002;
- 1.6.8 "General Meeting" shall mean any general meeting of the Company or any adjournment thereof, including an annual general meeting convened in terms of article 10.1 as the case be;
- 1.6.9 "Income Tax Act" shall mean the Income Tax Act, 58 of 1962, as amended from time to time;
- 1.6.10 "Member" shall mean the holder of Shares being Members of the Company referred to in article 6.11;
- 1.6.11 "MOI" shall mean the Memorandum of Incorporation of the Company as contained in this document,

as duly amended from time to time;

1.6.12 "Month"

means a calendar month;

1.6.13 "Office"

shall mean the registered office for the time being of the Company;

1.6.14 "Period"

means the numerical Saturday on which a share block holder's period of occupation begins in respect of the relevant portion of the Company's buildings, commencing at 14h00 on the Saturday specified and terminating at 10h00 hours on the following Saturday, all such periods being reflected on **Annexure 3** hereto and the calendar of all periods attaching to all share blocks in the capital of the Company as compiled by the Directors annually in advance, with the following provisos, namely:

- (i) Period number 1 shall mean the week starting on the first Saturday of the calendar year and all further periods shall follow consecutively.
- (ii) The time between each period of use shall be a service period during which the Company shall have occupation of the said portions of the Company's building and property for the purpose of cleaning the same for subsequent occupation unless the relevant share block holder is entitled to two or more periods of use in which event there shall be no intervening service period between each such period of use.
- (iii) The Member holding period number 52 shall be entitled in any year in which there

is a 53rd Saturday to an additional period of seven days commencing from such 53rd Saturday at the time aforesaid and terminating at the aforesaid time, on the same terms and conditions as those applicable to any other period.

- 1.6.15 "Person" shall include any natural person, company or body corporate, a statutory body, a partnership or an association of persons, as the case may be, having the legal capacity required in terms of the laws of the Republic;
- 1.6.16 "Republic" shall mean the Republic of South Africa;
- 1.6.17 "Share" shall mean that set out in Section 1 of the Share Blocks Act and relates to the share block granting a right of use to the holder thereof;
- 1.6.18 "Share Blocks Act" shall mean the Share Blocks Control Act No.59 of 1980, as amended, and the regulations promulgated from time to time in regard thereto;
- 1.6.19 "Share Block Developer" is as defined in Section 1 of the Share Blocks Act and its successor in title and assigns;
- 1.6.20 "Sign" shall include the reproduction of signature lithography, printing with an india-rubber stamp or any other electronic communication process partly the one and partly the other process and "signature" has the corresponding meaning;
- 1.6.21 "the Statutes" means the Companies Act, the Share Block Act

and the Timesharing Act, as may be applicable, and every other Act for the time being in force concerning companies and affecting the Company;

1.6.22 "Timesharing Act" shall mean the Property Timesharing Control Act No. 75 of 1983, as amended, and the regulations promulgated from time to time in regard thereto;

1.6.23 "Use Agreement" shall mean any agreement conferring a right to, or an interest in, the use of immovable property in respect of which a share block scheme is operated, and is **Annexure 4** attached hereto;

1.6.24 "Writing" shall include printing, typewriting, lithography or any other electronic communication process, or partly one and partly the other;

1.6.25 "Year" means a calendar year.

## **2. PURPOSE AND OBJECTS OF THE COMPANY**

2.1 The main purpose and object of the Company is to operate a share block scheme in respect of the Buildings in accordance with the Share Blocks Act and the Timesharing Act entitling a Member to use specified parts of the Buildings in accordance with the Use Agreement entered into between the Member and the Company.

## **3. POWERS AND CAPACITY OF THE COMPANY**

3.1 The Company has the powers and capacity of a Person.



- 3.2 Notwithstanding the omission from this MOI of any provision to that effect, the Company may do anything which the Act, the Share Blocks Act and the Timesharing Act empowers a Company to do.
- 3.3 The Company is restricted in its powers and capacity in terms of the provisions of the Share Blocks Act and other provisions for the control of the business of the Company, and these are recorded in **Annexure 1** hereto.

#### **4. CONDITIONS**

- 4.1 The Company shall ensure that the whole of its activities are directed to the furtherance of its main and stated objects.
- 4.2 The Company shall utilise its assets and income to advance its stated objects for which it has been established.

#### **5. MEMORANDUM OF INCORPORATION AND COMPANY RULES**

- 5.1 Save for correcting patent errors in spelling, punctuation, reference, grammar or similar defects, which the Board is empowered to do in terms of Section 17(1) of the Act, all other amendments of the MOI shall be effected in accordance with Section 16(1) of the Act.
- 5.2 This MOI does not restrict, limit or qualify the power of the Board to make, amend or repeal any necessary or incidental rules relating to the governance of the Company in respect of matters that are not addressed in the Act or this MOI, in accordance with the provisions of sections 15(3) to 15(5) of the Act.
- 5.3 If the Board makes any rules, it must file and publish a copy of those rules in the manner prescribed in the Act.
- 5.4 If the Board alters the MOI or any rules made by it, in terms of Section 17(1) of this Act, it must publish a notice of such alteration in the manner prescribed by the Act.

## 6. SHARE CAPITAL

6.1 The authorized and issued share capital of the Company is R13 532.00 (Thirteen Thousand Five Hundred and Thirty Two Rand) divided into the following classes:

- 4 488 A1 CLASS SHARES
- 8 160 A2 CLASS SHARES
- 612 A3 CLASS SHARES
- 4 601 B1 CLASS SHARES
- 4 601 B2 CLASS SHARES
- 4 602 B3 CLASS SHARES

These are ordinary par value Shares of fifty (50) cents each apportioned between 1 318 (One Thousand Three Hundred and Eighteen) share blocks in accordance with **Annexure 2** hereto.

6.2 The Shares comprising each share block shall confer on the holder for the time being of each share block the right of use as follows:

- 6.2.1 The "A1 CLASS SHARES" : the right of use on a time-share basis of certain residential chalets in the buildings known as SODWANA BAY LODGE on such terms and conditions as are contained in the Use Agreement entered into between the Company and such holder.
- 6.2.2 The "A2 CLASS SHARES" : the right of use on a permanent basis of certain residential chalets in the buildings known as SODWANA BAY LODGE on such terms and conditions as are contained in the Use Agreement entered into between the Company and such holder.
- 6.2.3 The "AB CLASS SHARES" : the right of use on a permanent basis of certain lodge units in the buildings known as SODWANA BAY LODGE on such terms and conditions as are contained in the Use Agreement entered into between the Company and such holder.

- 6.2.4 The "B1 CLASS SHARES" : the right of use of certain business premises to be operated as a shop/trading store in the buildings known as SODWANA BAY LODGE demarcated and on such terms and conditions as is contained in the Use Agreement entered into between the Company and such holder.
- 6.2.5 The "B2 CLASS SHARES" : the right of use of certain business premises to be operated as a boat supply and repair centre in the buildings known as SODWANA BAY LODGE demarcated and on such terms and conditions as is contained in the Use Agreement entered into between the Company and such holder.
- 6.2.6 The "B3 CLASS SHARES" : the right of use of certain business premises to be operated as a diving school in the buildings known as SODWANA BAY LODGE and on such terms and conditions as is contained in the Use Agreement entered into between the Company and such holder.
- 6.2.7 Oblige the holder thereof from time to time to lend to the Company as a fixed loan, on the terms and conditions set out in the Use Agreement, the amount specified in **Annexure 2**.
- 6.3 Upon acquisition of Shares, the Member acquired the right to, and usage interest as referred to in the Use Agreement.
- 6.4 None of the Shares in the capital of the Company which are not apportioned among the share blocks referred to in sub-article 6.1 above may be issued otherwise than on the authority of a special resolution of the Members of the Company and subject to the proviso that if they are so issued, such Shares shall be apportioned among the share blocks, and the Shares comprising each such share block shall confer on the holder the rights referred to in sub-article 6.2.1 above, subject to the terms and conditions set out in and referred to in that sub-article.
- 6.5 All Shares of the Company shall:
- 6.5.1 Confer a right to vote at any meeting of the Company;
- 6.5.2 Confer the same vote as every other Share in the Company;

- 6.5.3 Confer a right to an interest in the use of the Buildings in accordance with the provisions of the **Annexures 3 and 4** hereto.
- 6.6 Save as is otherwise hereinafter provided for and subject to the provisions of the Share Blocks Act and without prejudice to any special rights previously conferred on the holder of existing Shares in the Company, any Share may be issued with such special rights or subject to such restriction as the Company may from time to time determine.
- 6.7 If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class but always subject to the conditions of article 6.4 above) may be varied with the consent in writing of the holder of three-fourths of the issued Shares of that class or with the sanction of a resolution passed at a separate General Meeting of the holders of the Shares of the class, and the provisions of Section 65 of the Act shall *mutatis mutandis* apply to the said resolution and meeting as if the resolution were a special resolution. To every such separate General Meeting the provisions of this MOI relating to General Meetings shall *mutatis mutandis* apply save that the necessary **quorum shall be thirty three and one third percent (33.3%) of the voting rights** that are entitled to be exercised by Members present in person or by proxy of all the issued Shares of the class. This article does not curtail the power of the Company to vary the rights attached to any Share which has not been issued, subject to the provisions of article 6.4 above being adhered to.
- 6.8 The Company may from time to time by special resolution increase the share capital by such sum divided into Shares of such amount, or may increase the number of its Shares of no par value to such number, as the resolution shall prescribe.
- 6.9 New Shares shall be subject to the same provisions as to transfer, transmission and otherwise as the Shares in the original share capital.
- 6.10 The Company may by special resolution:

- 6.10.1 consolidate and divide all or any of its share capital into Shares of larger amount than its existing Shares or consolidate and reduce the number of the issued Shares of no par value;
  - 6.10.2 increase the number of its issued no par value Shares of smaller amount than is fixed by this MOI;
  - 6.10.3 sub-divide its existing Shares or any of them into Shares of smaller amount than is fixed by this MOI;
  - 6.10.4 cancel any Shares which at the date of the passing of the resolution, have not been taken by any person, or which no person has agreed to take;
  - 6.10.5 reduce its share capital, stated capital, any capital redemption fund or any share premium account in any manner and with, and subject to, any incident authorized and consent required by law;
  - 6.10.6 convert any of its Shares whether issued or not into Shares of another class.
- 6.11 The Company shall maintain at its registered office a Share register of the Members of the Company and the registration, transfer, issue and certification of Shares shall be in accordance with the provisions of Sections 50 and 51 of the Act.
- 6.12 Every Person whose name is entered in the Share register shall be entitled to one certified copy of a certificate for all the Shares attached to the share block/s and use rights registered in his name or to several certified certificates in respect of each of the share blocks. Every original Member shall be entitled to one certified copy of a Share certificate free of charge but for every subsequent certificate the Directors may make such charge as from time to time they may think fit; provided that if a Share certificate is defaced, lost or destroyed, it may be renewed on the payment of such fee, and on such terms, if any, as to the evidence and indemnity as the Directors may think fit.
- 6.13 Share certificates shall be issued under the authority of the Directors and as prescribed by the Act.

## 7. LIEN ON SHARES

- 7.1 The Company has a first and paramount lien and a pledge on every Share for the amounts due to it by the holder of such Share whether payment has become due or not. The amounts so due to the Company shall include the costs of any acts performed or proceedings instituted by the Company in its efforts to recover such amounts.
- 7.2 The Company shall not be obliged to recognise the pledge by a Member of any Share in the Company to a third party but as soon as an amount becomes due and payable by a Member to the Company, all Shares held by such Member shall from that moment become pledged by such Member to the Company.
- 7.3 In the event of such Member holding the original Share certificate, then in such event, the Member shall hold the certificate relating to the pledged Share as agent for the Company. A Share shall remain so pledged until the amount due has been settled or the Share has been realised as provided in article 7.5.
- 7.4 Notwithstanding anything to the contrary contained in this MOI the Company shall, upon the issue or replacement of a Share certificate to a Member, retain possession of the Member's original Share certificate/s and shall hold the same in pledge as security for all and any amounts which may be or become owing by the Member to the Company.
- 7.5 The Company shall be entitled to realise any Share on which it has a lien in terms of article 7.1 and any Share becoming pledged to it in terms of article 7.2 and or article 7.3 and/or article 7.4 by realising such Share in the following manner:
- 7.5.1 the holder of the Share shall be given 15 business days notice in writing in accordance with article 22;
  - 7.5.2 the notice shall state the amount of the claim, demand payment thereof within the said period of notice and advise the Member that if

- the amount due remains unpaid the Share shall be sold to recover so much of the debts as may be realised by the sale;
- 7.5.3 the sale shall be by way of a tender process or in such other duly publicised manner as in the *bona fide* opinion of Directors would realise a more favourable price in the circumstances.
- 7.6 The net return of any such sale shall be applied in respect of the amount due to the Company and the Member shall remain liable for any shortfall. In the event of an over recovery the credit balance, if any, shall be paid to the Member upon demand.
- 7.7 On any sale as aforementioned the Directors may enter the name of the purchaser in the Share register of the Company.
- 7.8 Except as herein further provided, an affidavit by a Director or the secretary of the Company that the Share has been duly sold in accordance with the provisions of the preceding sub-article shall be conclusive evidence of the facts therein stated as against all Persons laying claim to such Shares or the proceeds thereof, and such affidavit and the receipt by the Company of the purchase price of Shares shall be conclusive proof of the rights to such Shares.

## **8. TRANSFER AND TRANSMISSION OF SHARES**

- 8.1 No Share in the capital of the Company shall be capable of being held independently from all the other Shares contained in the same share block, and no Share may be transferred except simultaneously with and to the same transferee as the whole of the other Shares included in the same share block, and together with the transfer, cession and assignment of:
- 8.1.1 the relevant portion of the loan obligation allocated to the share block in question, and
- 8.1.2 the Use Agreement pertaining to the share block in question and the assumption by the transferee of all the transferor's obligations thereunder.

- 8.2 Save as otherwise provided in this MOI or in the terms of the issue of any class of Shares:
- 8.2.1 Prior to the transfer of Shares to any transferee, the levies and any other amounts due and payable to the Company by the Member must be settled in full, unless otherwise resolved by the Directors.
  - 8.2.2 Save for the transfer of Shares by a Member or by his executors or administrators or other legal representatives to the spouse or any descendant or ascendant of such Member, no Shares may be transferred without the prior written consent and approval of the Directors of the Company, which consent shall not be unreasonably withheld.
  - 8.2.3 Notwithstanding anything to the contrary in this sub-article, no consent by the Directors shall be necessary for the transfer of any Shares held by the Share Block Developer.
- 8.2 The "B" Class Shares are to be held by the MBILA TRIBAL AUTHORITY and shall not be transferred out of the said MBILA TRIBAL AUTHORITY or to any individual persona, subject to any amendment of any existing legislation which will enable MTA to transfer such Shares to individual persona provided such transfer of Shares is facilitated for the benefit of the whole community.

## **9. MEMBERSHIP LEVIES**

It is recorded that substantially the whole of the Company's funding shall be derived from Member levies contribution in accordance with the provisions of Section 13 of the Share Blocks Act and the Use Agreement, the levies being currently exempt from taxation in terms of Section 10(1)(e) of the Income Tax Act.

Every Member of the Company shall make a contribution to the levy fund in the proportion determined by the Director. It is recorded that such levies will not necessarily be in direct proportion to the Member's shareholding, regard being had to the different services to be supplied to the different class members.



## **10. GENERAL MEETINGS**

- 10.1 The Company shall in each year hold an annual General Meeting; provided that:
- 10.1.1 not more than 15 (fifteen) months shall elapse between the date of one annual General Meeting and that of the next; and
  - 10.1.2 not more than 6 (six) months shall elapse between the end of the Company's financial year, and the date of the annual General Meeting.
- 10.2 The Directors shall have the power to convene other General Meetings of the Company at such time and place as the Directors determine.
- 10.3 The Directors shall also convene other General Meetings where a requisition is made by the number of Members of the Company as required by the Act, failing which such a meeting may be convened by the requisitionists themselves in accordance with the Act.
- 10.4 General Meetings convened in accordance with Sections 61 and 64 of the Act shall be held at such time and at such place as is determined in terms of those sections.

## **11. NOTICE OF GENERAL MEETINGS**

- 11.1 Subject to the provisions of the Act:
- 11.1.1 not less than 15 business days notice in Writing shall be given to all Members;
- 11.2 The notice period as provided for in article 11.1 shall be exclusive of the day on which the notice is served or deemed to be served and inclusive of the date of the meeting.
- 11.3 The notice of a General Meeting shall state-

- 11.3.1 the place, day and hour of that meeting; and
- 11.3.2 the matters which will be considered, and may be voted on, at such meeting.
- 11.4 A meeting of the Company shall, notwithstanding the fact that it is called by shorter notice than that specified in this article, be deemed to have been duly called if it is so agreed by all of the Members present having a right to attend and vote at the meeting.
- 11.5 The inadvertent omission to give notice of a meeting to, or the non-receipt of a notice of a meeting by any Person entitled to receive such notice, shall not invalidate the proceedings at that meeting.
- 11.6 As may be appropriate at the discretion of the Directors, and available, the Company may provide for participation by Members by electronic communication.

## **12. PROCEEDINGS AT GENERAL MEETINGS**

- 12.1 Members must present reasonably satisfactory identification before attending and participating in the meeting.
- 12.2 The annual General Meeting shall deal with and dispose of all matters prescribed by the Act, including the presentation of the Directors' report, annual audited financial statements, the audit committee report, the social and ethics committee report, if applicable, the election of Directors, the appointment of an auditor and the election of an audit committee, and may deal with any other business laid before it.
- 12.3 Subject to the provisions of the Act, no business shall be transacted at any General Meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Save as herein otherwise provided, subject to the provisions of Section 64 (3) of the Act, **a quorum at any General Meeting shall be no less than 2 (two) persons representing at least 1% (one percent) of the share capital**, and who are entitled to vote and

who are present in person or by proxy at the commencement and throughout the meeting.

- 12.4 If within half-an-hour after the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved, in any other case it shall stand adjourned to a date 7 (seven) business days later and if at such adjourned meeting a quorum is not present within half-an-hour after the time appointed for the meeting, the Members present in person and by proxy shall be a quorum.
- 12.5 The Chairman shall preside as Chairman at every General Meeting of the Company.
- 12.6 If at a General Meeting there is no Chairman or the Chairman is not willing to act or is not present within 15 (fifteen) minutes after the time appointed for holding the meeting, 1 (one) of the Directors present shall be Chairman of the meeting.
- 12.7 Subject to the provisions of the Act, the Chairman of the meeting may, with the consent of the majority of Members present at any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting at which the adjournment took place.

### **13.VOTES OF MEMBERS AT GENERAL MEETINGS**

- 13.1 Every Member who is represented either in person or by proxy at a General Meeting shall have 1 (one) vote per Share held by such Member.
- 13.2 At a General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands, in which case the Members or their proxy shall have one vote for all Shares held, and in the event of a poll the Member or his proxy shall have one vote for every Share held.

A poll may be called or demanded (before or after the declaration of the result of the show of hands) by:

- 13.2.1 the Chairman of the meeting; or
  - 13.2.2 by at least 5 (five) Members present in person or by proxy having the right to vote at meetings; or
  - 13.2.3 by any Member or Members present in person or by proxy having the right to vote at the meeting and representing not less than 10% (ten percent) of the total voting rights of all Members having the right to vote at the meeting.
- 13.3 Any demand for a poll may be withdrawn.
- 13.4 The poll shall be taken in such a manner as the Chairman of the meeting directs and the results of the poll shall be deemed to be the result of the meeting.
- 13.5 Where a poll is not demanded a declaration by the Chairman of the meeting that a resolution has been passed as well as the making of an entry to that effect in the book containing the minutes of the proceedings of General Meetings, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution, that the resolution was so passed.
- 13.6 In the case of an equality of votes, the Chairman of the meeting shall not have a second casting vote unless the Members otherwise determine in the General Meeting.
- 13.7 For an ordinary resolution to be adopted at a Members meeting, it must be supported by more than 50% of the Members who voted on the resolution, as provided in Section 65 (7) of the Act.
- 13.8 For a special resolution to be adopted at a Members meeting, it must be supported by at least 75% of the Members who voted on the resolution, as provided in Section 65 (9) of the Act.

- 13.9 A special resolution adopted at a Members meeting is required in addition for;
- 13.9.1 Issue of Shares.
  - 13.9.2 Variation of rights attached to the Shares when the share capital is divided into different classes.
  - 13.9.3 Alienation of the Company's immovable property.
  - 13.9.4 Alteration of the share capital.
  - 13.9.5 As may be required in terms of the Act, the Share Blocks Act, the Timesharing Act and this MOI.
  - 13.9.6 The dissolution or winding up of the Company.
- 13.10 In the case of joint holders, the vote of the Person whose name appears first in the register of Members and tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

#### **14. RESOLUTION PASSED BY SIGNATURE OF ALL MEMBERS**

- 14.1 Subject to the provisions of Section 65 (7) of the Act, an ordinary resolution in Writing signed by the majority of Members of the Company entitled to attend and vote at a General Meeting shall be as valid and effective as if it had been passed at a General Meeting properly held on the date on which the last signature is affixed.
- 14.2 Such resolution may consist of several documents in the same form, each of which is signed in terms of this article, by sufficient Members to constitute a quorum and shall be deemed (unless a statement to the contrary is made on that resolution) to have been passed on the closing date stated in the notice which shall be no less than 20 (twenty) business days after the posting date.

#### **15. RECORDS OF GENERAL MEETINGS**

- 15.1 The Directors shall cause a record to be made of the proceedings at every General Meeting, including all resolutions passed at such meetings and shall cause such record and all resolutions passed to be inserted in a book provided for that purpose, or in electronic format.

- 15.2 Any copy of any record or resolution referred to in article 15.1, which purports to be signed by any Director or the Chairman, shall be *prima facie* evidence of the matters stated herein.

## 16. PROXIES

- 16.1 A Member may appoint a proxy to attend a General Meeting on the Members behalf.
- 16.2 The instrument appointing a proxy shall be in Writing and signed by the appointer or by his agent duly authorised in writing or, if the appointer is a Person other than a natural Person, accompanied by a resolution of its Directors or other governing body authorising the Person named in the proxy to act as its representative at any meeting of the Company.
- 16.3 The holder of a general or special power of attorney, whether he is himself a Member or not, given by a Member, shall be entitled to attend meetings and to vote, if duly authorised under the power to attend and take part in the meeting.
- 16.4 The instrument appointing a proxy to vote at a meeting of the Company shall be deemed also to confer authority to demand or join in demanding a poll, and for the purpose of Section 63 (7) of the Act, a demand by a proxy shall be the same as a demand by a Member.
- 16.5 The instrument appointing a proxy and the power of attorney or the other authority, if any, under which it is signed, shall be deposited at the Office not less than 48 (forty-eight) hours before the time for holding the meeting at which the Person named in the instrument proposes to vote and in default of complying herewith, the instrument of proxy shall not be treated as valid.
- 16.6 No instrument appointing a proxy shall be valid after the expiration of 12 (twelve) months from the date when it was signed, unless so specifically stated in the proxy itself and no proxy shall be used at an adjourned meeting which could not have been used at the original meeting.



16.7 The instrument shall be in the following format:



**"SODWANA BAY LODGE SHARE BLOCK LIMITED"**

I/We \_\_\_\_\_ of \_\_\_\_\_  
 being a Member of SODWANA BAY LODGE SHARE BLOCK LIMITED, holding  
 \_\_\_\_\_ number of Shares, representing  
 \_\_\_\_\_ votes, hereby appoint \_\_\_\_\_ of  
 \_\_\_\_\_ or failing him, \_\_\_\_\_  
 of, \_\_\_\_\_ or failing him the Chairman of the Meeting as my  
 proxy to vote for me and on my behalf at the Annual General Meeting (as the case may be)  
 of the Company to be held on the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_ and at any  
 adjournment thereof as follows:

	In favour of	Against	Abstain
Resolution to _____			
Resolution to _____			
Resolution to _____			

(If columns 1, 2 or 3 are not completed, then my proxy may vote or abstain from voting as he deems fit)

\* (Indicate instruction to proxy by way of a cross in space provided above).

**SIGNED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 20\_\_\_\_\_.**

\_\_\_\_\_  
**SIGNATURE**



**Note 1:** A Member entitled to attend and vote is entitled to appoint a proxy to attend, speak and vote in his stead, and such proxy need not also be a Member of the Company.

**Note 2:** This Proxy shall be binding upon the Member until such time as the Member personally withdraws it and it is limited to the voting on the special and ordinary resolutions referred to herein. Unless otherwise instructed, the proxy will vote as he thinks fit. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, speak and vote in his stead. The proxy nominated need not be a Member of the Company.

Any alteration or correction made to this form of proxy (excluding the deletion of alternatives) must be initialled by the signatory. Documentary evidence establishing the authority of a Person signing this form of proxy in a representative capacity (i.e. on behalf of a Company, Close Corporation or Trust) must be attached to this form.

The completion and lodging of this form of proxy will not preclude the relevant Member from attending the meeting and speaking and voting in person thereat, to the exclusion of any proxy appointed in terms thereof, should such Member wish to do so.

Emailed and facsimile copies of this proxy form must be duly verified before the commencement of the meeting to be eligible for acceptance. If any one of the requirements contained herein is not fulfilled, the proxy form and/or the nomination of the proxy will be null and void.

Proxy holders must present reasonably satisfactory identification before attending and participating in the meeting.

## 17. ELECTION OF DIRECTORS

- 17.1 The minimum number of Directors shall be six (6), of which three (3) shall represent and be elected by the "A" Class shareholders, and three (3) shall represent and be elected by the "B" Class shareholders, and at each annual General Meeting one half (1/2) of the Directors shall retire from office.
- 17.2 Nominations for Directors must be submitted to the Company's Office not less than forty eight (48) hours before the meeting provided that nominations may be made at the meeting if approved by a majority attending the meeting and with the consent of the nominee/s.
- 17.3 The Directors to retire every year shall be those who have been longest in office since their last election, but as between Persons who become Directors in the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot. A retiring Director shall be eligible for nomination and re-election.
- 17.4 In the event of there being an uneven number of Directors on the Board, the Directors shall determine which Directors in longest office since their last election shall retire.
- 17.5 The Members of the Company other than the Share Block Developer shall, if they:
- 17.5.1 do not exceed ten (10) in number, have the right to appoint at least one of the Directors of the Company; and
- 17.5.2 exceed ten (10) in number, have the right to appoint at least two (2) of the Directors of the Company.
- 17.6 The Company shall not fail to take steps to ensure the appointment of the Director or Directors referred to in article 17.5, and, notwithstanding anything to the contrary contained in any law, a Share Block Developer shall not be entitled to vote on a proposed resolution to remove, under the provision of article 18.1.8, any Directors so appointed.

- 17.7 In the event of any Person howsoever being entitled to appoint the majority of the Directors of the Company, that Person or his representative shall guarantee compliance with any obligation of the Company specified in this MOI.
- 17.8 The Share Block Developer shall, subject to the provisions of article 17.5 above, have the right to appoint the majority number of Directors of the Company for so long as he is the holder of any of the Company's issued Shares and for so long as he is guarantor of the Company's bond obligations.
- 17.9 Subject to the provisions of Section 66 (2)(b), the Company may from time to time in a General Meeting increase or reduce the number of Directors.
- 17.10 Provided that the Board of Directors shall comprise not less than three (3) Directors, any casual vacancy occurring on the Board of Directors may be filled by the Directors, but the Director so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose stead he is appointed was last elected as Director.
- 17.11 The appointment of 2 (two) or more Persons as Directors of the Company by a single resolution shall not be moved unless a resolution that it shall be so moved has first been agreed to by the meeting without any vote against it.
- 17.12 In the event that the resolution referred to in article 17.11 is not moved each person nominated as a Director shall be voted in individually.
- 17.13 The Directors may elect a Chairman of their meeting and determine the period for which he is to hold office, but if no such Chairman is elected, or if at any meeting the Chairman is not present within five (5) minutes after the time appointed for holding the same, the Directors may elect one of the other Directors to be Chairman of the meeting.
- 17.14 Each Director shall have the power to nominate with the approval of the Board, any Person whether he is a Member or not, to act as alternate Director

in his place during his absence or inability to act as such Director, and on such appointment being made, the alternate Director shall, in all respects, be subject to the terms, qualifications and conditions existing with reference to the other Directors of the Company. A Director whilst also acting as a alternate Director, shall at any meeting of the Directors be entitled to two (2) votes.

17.15 The alternate Directors, whilst acting in the stead of the Directors who appointed them, shall exercise and discharge all the powers, duties and functions of the Directors they represent. The appointment of an alternate Director shall be revoked, and the alternate Director shall cease to hold office, whenever the Director who appointed him ceases to be a Director or gives notice to the secretary of the Company that the alternate Director representing him has ceased to do so.

## **18.DISQUALIFICATION AND REMOVAL OF DIRECTORS AND ALTERNATE DIRECTORS**

18.1 In addition to the provisions of Section 69 of the Act any Director or alternate Director shall cease to be a Director of the Company on the happening of any of the following events:

18.1.1 his estate is finally sequestrated;

18.1.2 he files a petition for the surrender of his estate as insolvent;

18.1.3 he is placed under curatorship by any court of competent jurisdiction;

18.1.4 he delivers a notice of his resignation at the Office with effect from:

18.1.4.1 the date on which that notice is delivered; or

18.1.4.2 any later date stated in that notice to which the Directors agree;

18.1.5 if he fails to attend meetings of Directors, without prior apology and/or without good cause for 6 (six) consecutive Months without appointing an alternate to represent him;

- 18.1.6 if he is directly or indirectly interested in any contract or proposed contract with the Company and fails to declare his interest and the nature thereof in the manner required by the Act;
  - 18.1.7 passes, publishes or causes to be published any information to the press or media, directly or indirectly, which information is confidential or which information will bring the reputation of the Company in disrepute and/or intends to be detrimental to the Company in any way;
  - 18.1.8 if, the Director is removed by an ordinary resolution in a General Meeting of Members in accordance with Section 71 of the Act.
- 18.2 Neither a Director nor an alternate Director shall be disqualified from acting as such if he is not a Member of the Company.

## **19. POWERS AND DUTIES OF DIRECTORS**

- 19.1 The business of the Company shall be managed by the Directors who may pay all expenses of the Company, and may exercise all such powers of the Company as are required by the Share Blocks Act, or by this MOI, to be exercised by the Company in a General Meeting.
- 19.2 A Director may himself act, or any firm of which he is a Member be appointed by the Board to act, in a professional capacity (other than as auditor) for the Company, or any other Company in which the Company is interested, and he or his firm shall be entitled to reasonable remuneration for those professional services.
- 19.3 A Director may be employed by or hold any office of profit under the Company or under any subsidiary or holding Company in conjunction with the office of Director, other than that of auditor of the Company or of any subsidiary Company, and any remuneration paid to him shall be in addition to any Director's fees paid by the Company.
- 19.4 The Directors may exercise the voting powers conferred by the Shares held by the Company in any other Company or exercisable by them as Directors of

that other Company in any manner they deem fit, notwithstanding any financial interest which they may have in the exercise of those voting powers.

- 19.5 A Director, including a Person who is to become a Director, shall not be disqualified by his office from entering into contracts, arrangements or dealings with the Company, nor shall any contract, arrangement or dealing with the Company be voided, nor shall a Director be liable to account to the Company for any profit arising out of any contract, arrangement or dealing with the Company by reason of such Director being a party to or interested in or deriving profit from any such contract, arrangement or dealing and being at the same time a Director of the Company or by reason of the fiduciary relationship thereby established, but the nature of his interest shall be declared by him in accordance with the provisions of the Act.
- 19.6 A Director shall not be deemed to be interested in any contract or arrangement merely because his alternate or a Director for whom he is an alternate is so interested.
- 19.7 A Director shall not be disqualified by his office from holding any financial interest or office in any other Company or business which has similar interests to those of the Company or any of its subsidiaries or which is engaged in a business of a similar nature to the business carried on by the Company or by any of its subsidiaries.
- 19.8 In terms of the Act, the Directors will be paid reasonable reimbursement for expenses incurred in advancing the objects of the Company and may receive Directors remuneration as determined in a General Meeting of shareholders by special resolution.
- 19.9 The Directors may subject to the provisions of the Statues, from time to time, in their discretion, raise or borrow from the Members or other Persons any sum or sums of money for the purposes of the Company, provided that the amounts in the aggregate so raised or borrowed from time to time shall not exceed such amount as may be determined by the Company in a General Meeting from time to time.

19.10 The Directors may raise or secure the repayment of such monies in such manner and upon such terms and conditions in all respects as they think fit.

## **20. PROCEEDINGS OF DIRECTORS**

20.1 At the commencement of each year, the Directors shall determine the number of Directors' meetings to be held in that year.

20.2 Any Director is at all times entitled to convene a meeting of the Directors by giving ten (10) business days notice to all Directors, or such shorter notice as may be agreed to by all the Directors.

20.3 The quorum necessary for the transaction of any business of Directors:

20.3.1 shall not be less than two (2) Directors, if there are three (3) Directors in office, and three (3) Directors if there are more than three (3) Directors in office.

20.3.2 If any Director has or any Directors have been appointed in terms of the provisions of article 17.5, the number of Directors required for a quorum at any meeting of the Directors of the Company, shall include that Director or at least one of those Directors, as the case may be.

20.4 The Directors may participate in a meeting of the Directors by means of conference telephone or similar equipment by means of which all Persons participating in the meeting can hear each other at the same time and any such participation in a meeting shall constitute presence in Person at the meeting.

20.5 All resolutions and actions of the Directors shall be by way of a majority of votes. In the event of an equality of votes, the Chairman shall not have a second or casting vote and the resolution shall be deemed not to have been passed.

- 20.6 Subject to the provisions of Section 75(5) of the Act, a Director may not vote in respect of any contract or proposed contract with the Company in which he is interested, or any matter arising there from.
- 20.7 Subject to the provisions of the Act, a resolution in Writing signed by a majority of Directors, shall be as valid and effective as if it had been passed at a meeting of the Directors duly called and constituted. Any such resolution may consist of several documents in a like form, each signed by one or more of the signatories to the resolution. A resolution of Directors passed in terms of this article shall be placed in the minute book of the Company and shall be noted at the next succeeding meeting of Directors and shall be signed by the Chairman of that meeting, whereupon the provisions of Section 73(8) of the Act shall be deemed to apply to the resolution.
- 20.8 All acts done by any meeting of the Directors or a committee of Directors or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Directors or Person acting as aforesaid or that they are or any of them were disqualified, be as valid as if every such Person had been duly appointed and were qualified to be a Director.
- 20.9 If within half an hour after the time appointed for a meeting, a quorum of Directors is not present, then the meeting shall stand adjourned to a day not earlier than five (5) working days, and not later than ten (10) working days after the date of the meeting, as may be decided, and if at such adjourned meeting a quorum is not present within half an hour after the time appointed for the meeting, the Directors present shall form a quorum.

## **21.RECORDS OF DIRECTORS' MEETINGS**

- 21.1 The Directors shall cause minutes to be made of all appointments of officers made by the Directors, the names of the Directors present at each general meeting of the Directors and all resolutions passed by the Directors at all meetings of the Directors.



- 21.2 Minutes of any resolution and proceedings mentioned in article 20.7 appearing in one of the minute books of the Company shall be proof of the facts therein stated if signed by-
- 21.2.1 the Chairman of the meeting to which it relates; or
  - 21.2.2 any Person present at the meeting and appointed by the Directors to sign in the Chairman's place; or
  - 21.2.3 the Chairman of a subsequent meeting of the Directors.
- 21.3 Any extracts from or copy of those minutes purporting to be signed by the Chairman of that meeting or any Director shall be *prima facie* proof of the facts therein stated.

## 22. NOTICES

- 22.1 A notice may be given by the Company to any Member in accordance with Regulation 7 of the Companies Act.
- 22.2 Notice of every General Meeting shall be given to the auditor, for the time being, of the Company.
- 22.3 Any notice shall be deemed to be served in accordance with Annexure 3 (Table CR3) of the Regulations of the Companies Act.

## 23. WINDING-UP

- 23.1 Upon dissolution of the Company, the assets which remain after payment of the debts and liabilities of the Company and the costs of liquidation, shall be applied as follows:
- 23.1.1 To repay to the Members the amount paid up on the Shares respectively held by the Members.
  - 23.1.2 To repay to the Members all amounts paid in respect of the Company's loan obligation, providing that such refund shall be reduced by the amount that any such Member is in arrear with any

debt due to the Company as at the date of winding up of the Company.

23.1.3 The balance remaining after the payments referred to in sub-articles 23.1.1 and 23.1.2 shall be paid to the Members in proportion to the number of Shares held by each Member to the total issued share capital.

## **24. INDEMNITY**

Subject to the provisions of Section 77 of the Act, the members of the Board and officers of the Company shall be indemnified by the Company against all proceedings, costs and expenses incurred by reason of any claim made against them in connection with their conduct of the affairs of the Company.

## **25. LIMITATION OF LIABILITY OF DIRECTORS**

Each Director, alternate Director, manager, executive officer and other officer of the Company, and person employed by the Company as its auditor, shall be indemnified by the Company against any liability incurred by him from time to time in that capacity in defending any proceedings (whether civil or criminal) in which judgement is given in his favour or in which he is acquitted or in respect of any of those proceedings which are abandoned or in connection with any application made under Section 78 of the Act in which relief is granted to him by a Court of competent jurisdiction.

## **26. ARBITRATION**

26.1 In the event of any dispute or difference arising between the Company and/or Directors and/or the Members (hereinafter referred to as "the parties") as to the interpretation of the Use Agreement and/or any other agreement between the parties and/or the Statutes and/or the rights and/or obligations of the parties arising from the MOI, such dispute or difference shall be referred to an arbitrator who shall settle the dispute in terms of and subject to the principles and conditions of the Arbitration Act No. 42 of 1965 as amended.

26.2 The arbitrator shall be appointed by agreement between the parties, provided that in the event of the parties failing to agree on the appointment of an arbitrator within 14 (fourteen) days after receipt of the notice to do so, the party requesting arbitration proceedings may request the Chairperson, for the time being, of the Society of Advocates of the High Court of South Africa of the High Court Division in which the Buildings are situate, to appoint an arbitrator.

26.3 The decision of the arbitrator shall be final and binding and may be made an order by any court to whose jurisdiction the parties to the dispute are subject.

## **27.INSURANCE OF IMMOVABLE PROPERTY AND IMPROVEMENTS**

The Directors of the Company shall ensure that the immovable property leased by the Company, together with all improvements and assets of the Company, be insured at its replacement value from time to time.

The said replacement value shall be reviewed and determined annually at the Company's Annual General Meeting and the said insurance shall be effected in accordance with the provisions of the Use Agreement.

## ANNEXURE 1

**The provisions of the Share Blocks Control Act No. 59 of 1980 control the business of the Company in the following Sections:**

1. **Section 3 – Application of certain laws in respect of share block companies**
2. **Section 5 – Restrictions on the operation of a share block scheme**
3. **Section 7 – Main Objects**
  - to operate a share block scheme in respect of immovable property owned or leased by it.
  - a Member shall be entitled to use a specified part of the immovable property in accordance with the Use Agreement entered into between the Member and the Company.

4. **Section 8 and 8A – Sectional Title Register**

The Company shall have the power to perform any act and incur any expenditure to effect the opening in terms of **Section 12** of the Sectional Titles Act 1986, as amended, from time to time of a sectional titles register in relation to its immovable property.

5. **Section 10 – Rights attaching to shares in a Share Block Company**

The Shares shall confer the same vote as every other Share of the Company, and the Shares shall confer a right to, or interest in, the use of the immovable property.

6. **Section 11 – Offer of sale of shares**

Share Block Company Shares may be offered to the public for sale if, in lieu of compliance with any other requirements, such offer is accompanied by a statement that any proposed purchaser of any such Shares is required to enter into a contract referred to in Section 17 in respect of such Shares and that a copy of the contract

required to be entered into is available for inspection free of charge at an address indicated in the statement.

7. **Section 12 – Directors and Developer Directors**

Refer to Articles 17.5 and 17.6 of this **MOI**.

8. **Section 13 - Levy Fund and Trust Accounts**

8.1 The Company shall establish and maintain a levy fund sufficient in the opinion of its Directors for the repair, upkeep, control, management and administration of the Company and of the immovable property in respect of which it operates the share block scheme, for the payment of rates and taxes and other local authority charges on the said immovable property, any charges for the supply of electric current, gas, water, fuel, sanitary and any other services to the said immovable property, and services required by the Company, for the covering of any losses suffered by the Company for the payment of any premiums of insurance and of all expenses incurred or to be incurred to effect the opening under **Section 12** of the Sectional Titles Act of a sectional title register in relation to the said immovable property, and for the discharge of any other obligation of the Company.

8.2 The Members shall contribute to the levy fund as agreed between them and the Company and failing such agreement in proportion to the number of Shares held by each Member to the total of the issued Shares.

8.3 The Company shall open and maintain with a bank or similar registered financial institution/s a separate account which shall be styled the Levy Fund Account and into which shall be deposited all Members' contributions to the levy fund, or alternatively, shall entrust such contributions to a practitioner (as defined in the Share Blocks Act) or an estate agent.

9. **Section 14 – Loan Obligation**

9.1 Each Member of the Company shall be liable for that portion of the Company's loan obligation as agreed upon between the Company and the Members and in the absence of such agreement then in the proportion of each Member's Shares to the total number of issued Shares of the Company.

9.2 All monies paid by Members to the Company in respect of the Company's loan obligation shall either:

9.2.1 be deposited by the Company into a separate account, styled the Share Blocks Control Act Section 15(3) Trust Account, which shall be opened and maintained by the Company with a registered financial institution; or

9.2.2 be entrusted to a practitioner (as defined in the Share Blocks Control Act) or an estate agent.

9.3 If any monies referred to in **paragraph 9.2** are not immediately required to be applied in reduction of the Company's loan obligation they may be invested in a separate savings or other interest bearing account with any registered financial institution or other institution designated by the Minister of Finance, which account shall be styled the Share Block Control Act Section 15(3) Trust Account.

9.4 The monies paid to the Company in terms of **paragraph 9.2** shall be applied for the sole purpose of the redemption of the Company's loan obligation unless otherwise decided upon by the Members by resolution passed as contemplated in **paragraphs 9.5 and 9.6**.

9.5 **Borrowing Powers**

9.5.1 The Company shall not increase its loan obligations or encumber any of its assets unless the increase or encumbrance has been approved by a resolution of at least seventy-five percent (75%) in number of

the Members, excluding the Share Block Developer, having the right to vote at the relevant meeting and holding in the aggregate at least seventy-five percent (75%) of the total number of votes of all the Members, excluding the number of votes held by the Share Block Developer.

9.5.2 The provisions of the Act relating to notice and registration of a special resolution shall *mutatis mutandis* apply in respect of the resolution referred to in **paragraph 9.5.1** above.

9.5.3 The provisions of **paragraph 9.5.1** shall not apply:

9.5.3.1 in respect of an encumbrance which secures an existing liability comprised in the Company's loan obligation;

9.5.3.2 where at the time the Shares of the Company were offered for subscription or sale, it was disclosed to all Members of the Company and to the person to whom the Shares were offered that the Company contemplated increasing its loan obligations or encumbering its assets on stated terms and conditions and the Company has acted in accordance with such disclosure.

9.6 Subject to **paragraph 9.5** and to the provisions of any agreement existing from time to time between the Company and any shareholder or shareholders:

9.6.1 the Directors may in their discretion from time to time raise or borrow any sum or sums of money for the purposes of the Company without limitation;

9.6.2 the Directors may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bond, perpetual or redeemable, secured or unsecured debentures, or any mortgage,

charge or other security on the undertaking of the whole or in part of the property of the Company, both present and future.

## 10. Accounting Records

10.1 The Directors shall cause such accounting records as are prescribed by the provisions of the Share Blocks Control Act to be kept, including such accounting records as are referred to in **paragraphs 10.1.1 and 10.1.2** hereunder and also such other accounting records as are necessary fairly to present the state of affairs and business of the Company and to explain the transactions and financial position of the trade or business of the Company.

10.1.1 The Directors shall ensure that such accounting records as are necessary fairly to reflect and explain the state of affairs in respect of the moneys received and expended by or on behalf of the Company in respect of the levy fund, referred to in **paragraph 8**, are kept.

10.1.2 The Directors shall keep separate books, accounting records and financial statements such as are necessary to fairly reflect and explain the state of affairs in respect of all moneys paid to the Company by Members in reduction of the Company's loan obligation and the Directors shall ensure that the Company's books and accounting records relating to these moneys are balanced at least every six months and that these books, accounting records and financial statements are audited by the Company's auditors at least once annually.

10.2 The accounting records shall be kept at the registered office of the Company or at such other place or places as the Directors think fit, and shall always be open to inspection by the Directors and to other parties in accordance with the provisions of the Act and the Promotion of Access to Information Act No. 2 of 2000.



11. **Annual Financial Statements**

11.1 The Directors shall from time to time in accordance with the provisions of **the Act** cause to be prepared and laid before the Company in General Meeting such annual financial statements, group financial statements and group reports, if any, together with such financial statements prepared in terms of **paragraph 10**.

11.2 A copy of the financial statements, group annual financial statements and group reports which are laid before the Company in an annual General Meeting shall be in accordance with the provisions of the Act.

12. **Audit**

An auditor shall be appointed as required in terms of the provisions of the Share Blocks Act.

13. **Use Agreement (Annexure 4).**

**ANNEXURE 2**

**A1 CLASS SHARES**

<b>Apartment No.</b>	<b>No. Of Share Blocks</b>	<b>Share Block No.</b>	<b>Shares/ Share</b>	<b>Total Shares</b>
1	51	41-91	4	204
2	51	92-142	4	204
3	51	143-193	4	204
4	51	194-244	4	204
5	51	245-295	4	204
6	51	296-346	4	204
7	51	347-397	4	204
8	51	398-448	4	204
9	51	449-499	4	204
10	51	500-550	4	204
11	51	551-601	4	204
12	51	602-652	4	204
13	51	653-703	4	204
14	51	704-754	4	204
15	51	755-805	4	204
16	51	806-856	4	204
17	51	857-907	4	204
18	51	908-958	4	204
19	51	959-1009	4	204
20	51	1010-1060	4	204
21	51	1061-1111	4	204
22	51	1112-1162	4	204
<b>TOTAL</b>	<b>1122</b>			<b>4488</b>

**ANNEXURE 2.1**

**A2 CLASS SHARES**

Apartment No.	No. Of Share Blocks	Share Block No.	Shares/ Share	Total Shares
33	1	1	204	204
34	1	2	204	204
35	1	3	204	204
35	1	4	204	204
37	1	5	204	204
38	1	6	204	204
39	1	7	204	204
40	1	8	204	204
41	1	9	204	204
42	1	10	204	204
43	1	11	204	204
44	1	12	204	204
45	1	13	204	204
46	1	14	204	204
47	1	15	204	204
48	1	16	204	204
49	1	17	204	204
50	1	18	204	204
51	1	19	204	204
52	1	20	204	204
53	1	21	204	204
54	1	22	204	204
55	1	23	204	204
56	1	24	204	204
57	1	25	204	204
58	1	26	204	204
59	1	27	204	204
60	1	28	204	204
61	1	29	204	204
62	1	30	204	204
23	1	31	204	204
24	1	32	204	204
25	1	33	204	204
26	1	34	204	204
27	1	35	204	204
28	1	36	204	204
28	1	37	204	204
30	1	38	204	204
31	1	39	204	204
32	1	40	204	204
<b>TOTAL</b>	<b>40</b>			<b>8160</b>

**ANNEXURE 2.2**

**A3 CLASS SHARES**

<b>Apartment No.</b>	<b>No. Of Share Blocks</b>	<b>Share Block No.</b>	<b>Shares/ Share</b>	<b>Total Shares</b>
63A	51	1163-1213	4	204
63B	51	1214-1264	4	204
63C	51	1265-1315	4	204
<b>TOTAL</b>	<b>153</b>			<b>612</b>

<b>TOTAL FOR A CLASS</b>	<b>1315</b>			<b>13260</b>
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**ANNEXURE 2.3**

**B CLASS SHARES**

<b>Apartment No.</b>	<b>No. Of Share Blocks</b>	<b>Share Block No.</b>	<b>Shares/ Share</b>	<b>Total Shares</b>
B1	1	1316	4601	4601
B2	1	1317	4601	4601
B3	1	1318	4602	4602
<b>TOTAL</b>	<b>3</b>			<b>13804</b>



**2013**

<b>Week Module Name</b>	<b>Start Date</b>	<b>End Date</b>
1	05/01/2013	12/01/2013
2	12/01/2013	19/01/2013
3	19/01/2013	26/01/2013
4	26/01/2013	02/02/2013
5	02/02/2013	09/02/2013
6	09/02/2013	16/02/2013
7	16/02/2013	23/02/2013
8	23/02/2013	02/03/2013
9	02/03/2013	09/03/2013
10	09/03/2013	16/03/2013
11	16/03/2013	23/03/2013
12	23/03/2013	30/03/2013
13	30/03/2013	06/04/2013
14	06/04/2013	13/04/2013
15	13/04/2013	20/04/2013
16	20/04/2013	27/04/2013
17	27/04/2013	04/05/2013
18	04/05/2013	11/05/2013
19	11/05/2013	18/05/2013
20	18/05/2013	25/05/2013
21	25/05/2013	01/06/2013
22	01/06/2013	08/06/2013
23	08/06/2013	15/06/2013
24	15/06/2013	22/06/2013
25	22/06/2013	29/06/2013
26	29/06/2013	06/07/2013
27	06/07/2013	13/07/2013
28	13/07/2013	20/07/2013
29	20/07/2013	27/07/2013
30	27/07/2013	03/08/2013
31	03/08/2013	10/08/2013
32	10/08/2013	17/08/2013
33	17/08/2013	24/08/2013
34	24/08/2013	31/08/2013
35	31/08/2013	07/09/2013
36	07/09/2013	14/09/2013
37	14/09/2013	21/09/2013
38	21/09/2013	28/09/2013
39	28/09/2013	05/10/2013
40	05/10/2013	12/10/2013
41	12/10/2013	19/10/2013
42	19/10/2013	26/10/2013
43	26/10/2013	02/11/2013
44	02/11/2013	09/11/2013
45	09/11/2013	16/11/2013
46	16/11/2013	23/11/2013
47	23/11/2013	30/11/2013
48	30/11/2013	07/12/2013
49	07/12/2013	14/12/2013
50	14/12/2013	21/12/2013
51	21/12/2013	28/12/2013
52	28/12/2013	04/01/2014

## ANNEXURE 4

### SODWANA BAY LODGE SHARE BLOCK LIMITED

**Attached are the following Use Agreements:**

**"A1" Class Shares – Annexure 4.1**

**"A2" Class Shares – Annexure 4.2**

**"A3" Class Shares – Annexure 4.3**



#### **NOTE:**

1. Any references in the attached to the 'Companies Act' are to be read as references to the Companies Act No.71 of 2008, as amended.
2. Any references in the attached to the 'Articles of Association' are to be read as references to the Company's Memorandum of Incorporation.
3. Any reference to a manager or management company or is to be read as reference to the Managing Agent appointed from time to time by the Directors.

**“A1” CLASS SHAREHOLDERS**  
**USE AND OCCUPATION AGREEMENT**

between:

**SODWANA BAY LODGE SHARE BLOCK LIMITED**

(called the “COMPANY”)

and

**SHAZIBE JOINT VENTURE**

(called the “MEMBER”)

Witnesseth:

**1. DEFINITIONS**

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

- 1.1 The CHALET is each of the CHALETS located in that section of the COMPLEX as shown on the attached lay-out plan marked “A1”, each of which in terms of the company’s Memorandum and Articles of Association will be linked to a SHARE BLOCK which in turn will have an ALLOCATED LOAN apportioned to it and will be linked to a SPECIFIED WEEK.
- 1.2 The “PROPERTY” is the PROPERTY leased by the COMPANY FROM MBILA TRIBAL AUTHORITY, being described as: a certain surveyed portion of the Remainder of Reserve No 14 of 7638 in extent Thirty Four Comma Nine Four Five One (34,9451) hectares.
- 1.3 The “ACT” is the Share Blocks Control Act No. 59/1980, as amended from time to time, and any regulations promulgated in terms thereof from time to time.
- 1.4 The “SHARE BLOCK” is each of the SHARE BLOCKS:
  - 1.4.1 numbered as indicated in the COMPANY’S Memorandum and Articles of Association;
  - 1.4.2 which consists 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;
  - 1.4.3 which in terms of the COMPANY’S Memorandum and Articles of Association affords to its beneficial owner the right to use the CHALET (to which it is linked) in terms of this Use and Occupation Agreement for the SPECIFIED WEEK (to which it is linked in the said Memorandum and Articles of Association) during each year.
- 1.5 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 Memorandum and Articles of Association in terms of the ACT.
- 1.6 The “LOAN OBLIGATION” is the total LOAN OBLIGATION as defined in the ACT.
- 1.7 The “SPECIFIED WEEK” in relation to each SHARE BLOCK is that continuous period of seven days in each year (shown as attaching to the SHARE BLOCK in terms of the COMPANY’S Articles of Association), which period commences in the commencing year at 14h00 on the commencing Saturday in that year and terminates at 10h00 on the following Saturday, where:
  - 1.7.1 the commencing Saturday is that Saturday of each year which in terms of the schedule contained in the said Memorandum and Articles of Association, is linked to the SHARE BLOCK; and
  - 1.7.2 the commencing year is the first calendar year during which the SPECIFIED WEEK occurs after the date of this Agreement.



- 1.8 The “COMMON PROPERTY” means the whole of the balance of the land which is not occupied by virtue of a specific Use and Occupation Agreement, and shall be understood in the context in which the term common property is used in the Sectional Titles Act, No. 66/1971 and the COMMON PROPERTY shall be defined in accordance with the definition of that term in the said ACT, mutatis mutandis applied to the CHALET.
- 1.9 “PARKING BAY” means a parking bay comprising a portion of the COMMON PROPERTY reserved for use by the “A1” Class Shareholders for the duration of their occupation in terms hereof.
- 1.10 The “SALE AGREEMENT” means the agreement to which this Use Agreement is attached, in terms of which the MEMBER acquired the SHARE BLOCK.
- 1.11 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 singular shall, if consistent with the context, be interpreted as the plural, and vice versa.
- 1.12 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.
- 1.13 References to the “MEMBER” are references to OVLAND TIMESHARING (PROPRIETARY) LIMITED until it shall have ceded its rights under this agreement in respect of any particular SHARE BLOCK (and CHALET and SPECIFIED WEEK), and thereupon references to the “MEMBER” shall mutatis mutandis be reference to each new shareholder to whom the rights are ceded from time to time.

## **2. RIGHT TO OCCUPY AND USE THE COMMERCIAL PREMISES AND COMMON PROPERTY**

- 2.1 The MEMBER shall have the sole right to the exclusive use, occupation and enjoyment of the CHALET (furnished as described in clause 15.1.5 below) free of rental for the SPECIFIED WEEK, which right commences as from and including the commencing year. (References to the “SPECIFIED WEEK” shall be references to the SPECIFIED WEEK during every year). The MEMBER acknowledges that he is aware of the fact that the exclusive right to the use occupation and enjoyment of the CHALET vests in the other shareholders of the COMPANY at all other times.
- 2.2 The MEMBER is furthermore entitled during the SPECIFIED WEEK, to be present on the COMMON PROPERTY (including the PARKING BAY) and to use it in conjunction with the CHALET. The right to be present on and use the COMMON PROPERTY in conjunction with the other CHALETS on the COMMON PROPERTY, is given to all other shareholders of the COMPANY and the MEMBER’S right to use is therefore to be exercised in conjunction with the rights of the said other shareholders.
- 2.3 The MEMBER’S rights described in 2.1 and 2.2 shall at all times be exercised subject to the terms and conditions contained or referred to in this agreement and to the management rules issued from time to time by the COMPANY’S directors as provided for in clause 18 below.
- 2.4 The rights acquired by the MEMBER in terms of this agreement endure for so long as the MEMBER remains the 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 CHALET shall be used by the MEMBER, only for the accommodation of the MEMBER and his invitees and for no other purpose whatsoever. The CHALET shall not be occupied at any time by:
  - 3.1.1 more than four persons in the case of one bedroom chalets;
  - 3.1.2 more than six persons in the case of two bedroom chalets;
  - 3.1.3 more than eight persons in the case of three bedroom chalets;Should the MEMBER be a company or other legal person, the CHALET 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 said use and occupation by such persons shall be subject to all the terms contained or referred to in this agreement and furthermore subject to the prior written consent of the directors of the COMPANY (that is to say,

the directors of SODWANA BAY LODGE SHARE BLOCK LIMITED) which consent shall not be withheld unreasonably.

- 3.2 Any PARKING BAY shall only be used to park motor vehicles, trailers and the like, and for no other purpose whatsoever unless the prior written consent of the COMPANY'S directors shall have been given to such other use.
- 3.3 The MEMBER is not entitled at any time other than during the SPECIFIED WEEK, to leave store or harbour anything at all in or on the CHALET or the CHALET land.
- 3.4 Under no circumstances whatsoever shall any person sleep anywhere on the COMMON PROPERTY (excepting in the CHALET itself) particularly not in a caravan, camper or similar vehicle, nor shall any tent or similar habitat be erected on the COMMON PROPERTY.
4. No animals or bird shall be brought onto the PROPERTY save with the prior written approval of the directors of the COMPANY.
5. The MEMBER shall not harbour or leave any of his property or any other articles or refuse on any portion of the COMMON PROPERTY, nor shall he wash, hang or otherwise place any clothing or other similar articles anywhere outside the CHALET or on any part of the COMMON PROPERTY excepting in such places as may be specially provided therefor in the rules.
6. The MEMBER shall not conduct himself in such a manner in the CHALET or on the COMMON PROPERTY as will be a nuisance to other shareholders or occupiers of CHALETS, nor shall the MEMBER allow any of his invitees so to conduct themselves. Any breach of this provision by any person who is on the COMMON PROPERTY at the MEMBER'S invitation shall be deemed to be a breach by the MEMBER.

#### **7. LETTING**

The MEMBER shall be entitled to let or otherwise temporarily alienate his right to occupy the CHALET provided that:

- 7.1 the MEMBER shall at all times remain bound to each and every provision of this agreement.
- 7.2 no party shall be entitled to occupy the CHALET or the COMMON PROPERTY unless such party shall first have signed an undertaking in favour of the COMPANY to be bound by the management rules and by such of the terms of this agreement as the COMPANY'S directors may reasonably regard as being applicable to such party.
- 7.3 the MEMBER shall be liable unto the COMPANY and/or the other shareholders for everything done or omitted by the said party in the CHALET or on the COMMON PROPERTY.

#### **8. MAINTENANCE**

- 8.1 Fair wear and tear excepted, the MEMBER shall be liable for any damage done intentionally, negligently or without fault to the CHALET or to any fittings, fixtures or appurtenances in the CHALET by the MEMBER or by any of his invitees or by any party occupying or using the CHALET by arrangement with the MEMBER as contemplated in clause 7.
- 8.2 Fair wear and tear expected, the MEMBER is obliged to keep the CHALET and all fittings, fixtures and appurtenances in it in a clean and neat condition.
- 8.3 Subject to the provisions of 8.1 and 8.2, any expenditure for the maintenance, upkeep or repair of the CHALET or any fittings, fixtures or appurtenances in it shall be debited to the levy fund contemplated in paragraph 10.
- 8.4 In the event of a dispute as to whether the MEMBER or the COMPANY (the latter via the levy fund) is liable for any expenditure relating to the maintenance, upkeep, repair or cleanliness of the CHALET or any fittings, fixtures or appurtenances in it, such dispute shall be decided by the COMPANY'S directors whose decision shall be final and binding on the MEMBER.

#### **9. ALTERATIONS**

The MEMBER shall under no circumstances alter or effect any changes to the CHALET 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 CHALET or any of the fittings, fixtures or appurtenances in it nor shall the MEMBER remove anything from the APARTMENT.

## 10. LEVIES

- 10.1 The COMPANY’S directors shall create and maintain a fund of monies collected by them from time to time from the COMPANY’S shareholders. This function may be delegated to the manager contemplated in clause 18 below. The amount so levied on shareholders shall be decided in the absolute discretion of the COMPANY’S directors and shall in their discretion be sufficient to provide for.
- 10.1.1 the proper maintenance, control, management and administration of the COMPANY;
  - 10.1.2 the proper maintenance and upkeep of the CHALET and the COMMON PROPERTY;
  - 10.1.3 any cost relating to the provision to the COMMON PROPERTY of electricity, water, fuel, sewerage services and refuse removal services (if any) (provided that such costs shall not include any amount for which individual shareholders are directly liable to the COMPANY, otherwise than by way of this levy).
  - 10.1.4 any professional or other services which may be required by the COMPANY as well as provision for any loss which the COMPANY may have suffered or may in future suffer;
  - 10.1.5 insurance premiums for which the COMPANY may be liable from time to time;
  - 10.1.6 the fees payable from time to time to the manager contemplated in clause 18 below;
  - 10.1.7 any other costs, expenditure, disbursements or liability of the COMPANY which is not directly payable to the COMPANY by its shareholders otherwise than by way of this levy.
- 10.2
- 10.2.1 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 10.1 as well as any deficiency which may exist in the fund with regard to the previous calendar year. The directors shall by way of levies on the shareholders (MEMBERS) collect an amount as near as possible to the said estimated amount. The directors are entitled in addition to the matters specifically provided for in clause 10.1 above to include an amount to be retained as a provision for any future contingent expenditure not of a current nature.
  - 10.2.2 The annual amount payable by shareholders to the levy fund shall be paid monthly in advance on the first day of each and every calendar year.
  - 10.2.3 In spite of the provisions of clause 10.2.2, the SHAREBLOCK developer, the abovementioned SHAZIBE JOINT VENTURE shall be entitled to pay its annual levy contribution in respect of unsold SHARE BLOCK monthly in advance.
  - 10.2.4 If the directors deem it necessary or expedient, they shall be entitled, in addition to the amounts levied in terms of clause 10.1 and 10.2, from time to time, to levy special amounts from the shareholders to defray any expenditure of the COMPANY contemplated in clause 10.1 and clause 10.2 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 period as the directors may determine.
- 10.3
- 10.3.1 The COMPANY shall during the last week of November of every calendar year, despatch a written notice to each shareholder of the amount levied in terms of this clause 10, and such notice shall be subject to the provisions of this agreement relating to notice; provided however that any shareholder who alleges that a notice in terms of this paragraph has not been given to him shall bear the onus of proof thereof if such notice was despatched to him by prepaid registered mail to his address contained in the COMPANY’S address list, in which event, unless the contrary is proved, such notice will be deemed to have been received by the shareholder and its contents to have come to the shareholder’s notice on the fifth day after the date on which it was posted.



- The failure by the COMPANY to give the abovementioned notice timeously to the MEMBER does not preclude the MEMBER’S liability for payment of the levy or give rise to any other rights on behalf of the MEMBER.
- 10.3.2 The MEMBER is obliged to notify the COMPANY:
- 10.3.2.1 within twenty-one days of having acquired his rights in terms of this agreement, of his postal address; and
- 10.3.2.2 within thirty days of any change of his postal address, of such change.
- 10.3.3 All amounts due in terms of this paragraph are payable on demand, that is to say, as soon as the notice referred to in 10.3.1 has been given to the COMPANY.
- 10.4 The amount of any levy shall be levied in respect of every SPECIFIED WEEK attaching to every SHARE BLOCK and shall be determined as near as possible in accordance with the following formula, which may vary in recognition of any special circumstances, in the sole opinion of the directors:

MEMBER’S LEVY = \_\_\_\_\_

TOTAL LEVY OBLIGATION OF _____	X	MEMBER’S A1 CLASS SHARES
A1 CLASS MEMBERS		_____
		TOTAL A1 CLASS ISSUED SHARE CAPITAL

- 10.5 Payment of any amount due by the MEMBER in terms of this clause may be claimed from the MEMBER by the COMPANY. The MEMBER’S obligation to pay the levy ceases 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 the MEMBER’S breach, the COMPANY’S right to claim damages from the MEMBER shall not be effected by this provision. The MEMBER shall not be entitled to claim repayment of any amount contributed by him to the levy 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 respect of any amount paid by him in terms of this paragraph with regard to any period after his rights in terms of this agreement terminate; provided the cession is to the party acquiring the MEMBER’S rights under this agreement.
- 10.6 Without prejudice to any other rights which the COMPANY then may have, a MEMBER shall not be entitled to occupy or use the CHALET or be present on the COMMON PROPERTY while any amount due to him in terms of this paragraph is in arrear.
- 10.7 All amounts collected from the MEMBERS for the levy fund in terms of this Clause 10, shall be deposited in a separate banking account to be operated by the COMPANY in the name of “SODWANA BAY LODGE LEVY FUND” and shall be released by the directors to defray the COMPANY’S expenditure as and when necessary.

**11. THE MEMBER’S LOAN AGREEMENT WITH THE COMPANY**

- 11.1 The MEMBER is aware of the fact that he, in terms of the COMPANY’S Memorandum and Articles of Association, as well as all other shareholders of the COMPANY, is or will be bound to a loan agreement with the COMPANY in terms of which an amount of money has been or will be loaned to the COMPANY, which amount is indicated in the COMPANY’S Memorandum and Articles of Association as the ALLOCATED LOAN attaching to the SHARE BLOCK for the SPECIFIED WEEK. (The said amount is referred to and defined in this agreement as the “ALLOCATED LOAN”). 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 shareholders.
- The resolution of the COMPANY referred to in the previous sub-clause shall be a resolution of not less than 75% in number of the shareholders of the COMPANY (which shareholders 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% of the total

votes of all shareholders in the COMPANY excluding shareholders who are SHARE BLOCK developers.

- 11.2 As soon as the total amount due by a MEMBER in respect of the ALLOCATED LOAN has been paid to the COMPANY, the COMPANY shall upon the written request of such MEMBER furnish the MEMBER with a written certificate to that effect.

## **12. LIEN**

- 12.1 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 and whether the period for the payment thereof shall have actually arrived or not.
- 12.2 For the purposes of enforcing such lien, the directors may, subject to 12.3, 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 article unless some sum is presently payable and remains unpaid notwithstanding fourteen (14) 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 fourteen (14) days.
- 12.3 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 twenty-one (21) days notice to the address furnished by the pledgee to the COMPANY, to remedy the breach of the holder, and failing which the COMPANY shall be entitled to proceed with the sale.
- 12.4 Save as is provided herein, no pledgee shall have any prior claim against the COMPANY.
- 12.5 The nett proceeds of any such sale shall firstly be applied in or towards the satisfaction of the amount owed by the COMPANY, and the balance, if any, shall then be paid to any pledgee or the member as the case may be.
- 12.6 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.
- 12.7 An affidavit by a director or the secretary of the COMPANY that the share has been duly sold in accordance with this article, 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.

## **13. CESSION OF AMOUNTS ADVANCED BY MEMBERS TO THE COMPANY**

In addition to the lien created in clause 12 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 12 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 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 12 in order to afford the said cessionary or other receiver an opportunity of remedying the MEMBER'S breach.

In spite of 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 his ALLOCATED LOAN and use agreement are sold or alienated and vice versa.

#### 14. CESSION OF RIGHTS BY MEMBERS

- 14.1 The MEMBER is only entitled to cede or otherwise transfer, alienate or waive his right, title and interest in this agreement together with:
- 14.1.1 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
- 14.1.2 the alienation or waiver by him of his rights in terms of the ALLOCATED LOAN and provided the rights under this agreement, the rights in terms of the ALLOCATED LOAN and the shares 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 CHALET subject to all the provisions contained or referred to in this agreement and in the COMPANY’S Memorandum and Articles of Association.
- 14.1.3 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 ALLOCATED LOAN have been ceded and delegated to that party.
- 14.2 As a MEMBER (that is to say, SHAZIBE JOINT VENTURE) has entered into this agreement in respect of all the CHALETS, it shall be entitled separately to cede or otherwise transfer, alienate or waive its right, title and interest under this agreement in respect of each individual CHALET (together with the SHARE BLOCK and ALLOCATED LOAN to which such CHALET is linked in the linking schedule contained in the COMPANY’S Memorandum and Articles of Association) for each of the SPECIFIED WEEKS (to which such APARTMENT is linked in the said linking schedule). No party to whom the said MEMBER shall have alienated its said rights shall be entitled to regard this agreement as divisible in any manner and thus any subsequent alienation of rights under this agreement shall include all the rights of the alienating party who will not be entitled to alienate any rights for a shorter period than the SPECIFIED WEEK.

#### 15. COMPANY’S RIGHTS AND OBLIGATIONS

- 15.1 The COMPANY is:
- 15.1.1 obliged to maintain the COMMON PROPERTY in a good and tidy condition and defray its costs in this regard out of the levy fund;
- 15.1.2 obliged to procure such insurance relating to the CHALET and all other improvements on the property against such risks and for such amounts as the shareholders of the COMPANY may from time to time decide in 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 levy fund;
- 15.1.3 entitled through any representative or agent at all reasonable times to enter the APARTMENT in order to inspect it. Should the COMPANY not be satisfied with the condition of the CHALET, it shall be entitled to require the MEMBER immediately to comply with his obligations relating to the condition of the CHALET. 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 CHALET to its required condition and should the MEMBER fail to comply with such notice fourteen (14) days after such notice has been given, the COMPANY shall be entitled, without prejudice to any other rights which it may have, to restore the CHALET to the required condition and to claim any expenditure so incurred from the MEMBER;
- 15.1.4 if authorised thereto by the directors or the COMPANY’S secretary or manager, entitled itself or through its authorised agents or employees to enter the CHALET at any time in order to effect necessary maintenance or repairs to it in which event the MEMBER shall have no claim against the COMPANY for damages, remission of his levy liability or otherwise.

- 15.1.5 Obligated at all times to keep the CHALET adequately furnished and equipped for occupation and use by six persons provided that:
- 15.1.5.1 the COMPANY’S directors shall in their discretion from time to time decide the exact nature, quantity and quality of the furniture and equipment;
  - 15.1.5.2 all furniture, equipment, fittings and fixtures shall be and remain the property of the COMPANY;
  - 15.1.5.3 the COMPANY shall, if the directors so decide from time to time, add to, replace or vary such furniture, equipment, fittings and fixtures;
  - 15.1.5.4 the MEMBER shall not remove any of the said items from the CHALET or the property and shall use them with due care for their preservation and good condition.

#### **16. LOSS, DAMAGE, DEATH, INJURY**

The COMPANY shall not be liable for any loss or damage suffered by the MEMBER or any person occupying the CHALET or the CHALET land while the MEMBER or such other person is in occupation of the CHALET or the PROPERTY. Furthermore the COMPANY shall not be liable for the injury or death of the said parties while in occupation of the CHALET 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 of the COMPANY or any of its officials, members, employees or agents and whether or not it was caused by the fact that the CHALET 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 CHALET or the PROPERTY through the MEMBER.

#### **17. 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:

- 17.1 should the MEMBER fail to comply punctually with any provisions of this agreement or of the sale agreement or of the management rules issued in terms of clause 18 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 fourteen (14) days after the said notice; or
- 17.2 should the MEMBER fail to comply punctually with any of the provisions referred to in clause 18.1 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 six 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:
  - 17.2.1 the COMPANY shall be entitled to repossess the use of the CHALET and for this purpose to take any steps necessary to evict the MEMBER or any person occupying through the MEMBER from the CHALET without prejudice to the COMPANY’S rights to claim the immediate payment of all amounts due 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 client scale; and
  - 17.2.2 the COMPANY shall be entitled as agent for and on behalf of the MEMBER and in the MEMBER’S name to let the CHALET 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 his 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 paragraph 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 ALLOCATED LOAN; and
- 17.2.3 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 ALLOCATED LOAN. 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 his 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 17.2.3 above.

## **18. MANAGEMENT RULES**

- 18.1 Apart from the provision of the ACT, the COMPANY'S Memorandum and Articles of Association and of this agreement, the APARTMENT and the PROPERTY (including the use of the COMMON PROPERTY) shall be controlled and managed by way of rules.
- 18.2 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:
- 18.2.1 in writing by a majority in value of the shareholders of the COMPANY; or
- 18.2.2 by a majority in value of the shareholders of the COMPANY in a general meeting of shareholders.
- 18.3 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 to may be set aside:
- 18.3.1 in writing by a majority in value of the COMPANY'S shareholders; or
- 18.3.2 by a majority in value of the COMPANY'S shareholders in a general meeting of shareholders.
19. The abovementioned rules may relate to the control, management, administration, use and enjoyment of the CHALET and the COMMON PROPERTY. Without derogating from the generality of the foregoing, the said rules may in particular relate to the following:
- 19.1 the level of noise caused by the use of radios, other sources of music, television and the playing of musical instruments;
- 19.2 the limitation and use of television aerials, airconditioning and any other electrical equipment and of sun blinds;
- 19.3 the neatness and general appearance of the APARTMENT and the COMMON PROPERTY;
- 19.4 the general behaviour of shareholders and other occupiers and users of CHALETS and the COMMON PROPERTY so as to ensure that no shareholder or other occupier shall create a nuisance in a CHALET or on the COMMON PROPERTY;
- 19.5 such other matters in the interest of the comfort and general well-being of occupiers of CHALETS.
- 19.6 Should any rule made in terms of this clause clash with any provision of this agreement, the provision of this agreement shall prevail.

## **20. DAMAGE TO COMMERCIAL PREMISES / INSURANCE**

- 20.1 Should the CHALET 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 CHALET nor shall he have any 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 CHALET to alter the form or method of construction thereof, provided that the altered CHALET shall be materially of the same dimension and be materially in the same location on the COMMON PROPERTY as the previous CHALET. In spite of the foregoing provision of this clause, the COMPANY shall not be obliged in restoring or rebuilding any damaged or destroyed CHALET 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 CHALET as set out in the previous clause in spite of the fact 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.

- 20.2 The COMPANY is obliged to keep all the CHALETS on the PROPERTY 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 CHALETS insured at all times for their full replacement value.
- 20.3 Should the MEMBER be precluded from occupying the CHALETS during the SPECIFIED WEEK due to it having been damaged or destroyed as contemplated in 18.1, the COMPANY shall refund to the MEMBER his annual levy contribution (not including any special levy as contemplated in 10.3).
- 20.4 In the event of a dispute concerning any matter arising out of the provisions of this clause, 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. His account for deciding the issue will be paid by the party against whom the decision is mainly given.

## **21. SECTIONAL TITLE NOT POSSIBLE**

It is recorded that it is not possible to develop the CHALETS and the COMMON PROPERTY into Sectional Title Chalets in terms of the Sectional Titles Act, No 66 of 1971.

## **22. WARRANTY**

The COMPANY hereby warrants unto the MEMBER that:

- 22.1 the original registered owner of each SHARE BLOCK in the COMPANY concluded a written use agreement with the COMPANY relating to each CHALET and each SPECIFIED WEEK, and that all the said use agreements are subject materially to the same terms and conditions as are contained in this agreement;
- 22.2 the COMPANY shall not agree to any amendment, addition or consensual cancellation of any of the said use agreements without the prior written consent of not less than 75% (seventy-five per centum) in number of the COMPANY'S shareholders from time to time.

## **23. INDULGENCE**

No indulgences 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.

## **24. CLASHING PROVISIONS**

In the event of a clash between the provisions of this agreement and the provisions of the ACT, the provisions of the ACT shall prevail.

## **25. COMMENCEMENT OF RIGHTS AND OBLIGATIONS**

In spite of the fact that the MEMBER'S right to occupy, use and enjoy the CHALET and CHALET land is limited to the SPECIFIED WEEK during every year for the duration of the lease, 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.

**26. MANAGEMENT**

It is recorded that the COMPANY proposes to enter into a management agreement with OVLAND RESORT MANAGEMENT or such other company as the directors may decide, for the management of the CHALETS and the COMMON PROPERTY and the provisions of certain facilities to occupiers of CHALETS.

**SIGNED at** \_\_\_\_\_ **on this** \_\_\_\_\_ **day of** \_\_\_\_\_ **20** \_\_\_\_\_

**For SODWANA BAY LODGE SHARE BLOCK LIMITED**

**AS WITNESS:**

1. \_\_\_\_\_  
\_\_\_\_\_ **Authorised Signatory**

**SIGNED at** \_\_\_\_\_ **on this** \_\_\_\_\_ **day of** \_\_\_\_\_ **20** \_\_\_\_\_

**For OVLAND TIMESHARING (PROPRIETARY) LIMITED**

**AS WITNESS:**

1. \_\_\_\_\_  
\_\_\_\_\_ **Authorised Signatory**



**AGREEMENT OF USE**

THIS AGREEMENT MADE AND ENTERED INTO BY AND BETWEEN

**SODWANA BAY LODGE SHARE BLOCK LIMITED**

(hereinafter with its successors in title and assigns referred to as “the COMPANY”)

of the one part

and

**SHAZIBE JOINT VENTURE**

as the registered holder for the time being of the shares of the COMPANY, described as Share Block No. \_\_\_\_\_, and also for each successive HOLDER from time to time of the said shares

(hereinafter referred to as “the HOLDER”)

of the other part.

**PREAMBLE**

WHEREAS the COMPANY has leased of certain land described as:

a certain surveyed portion of Remainder of Reserve No 14 of 7638 in extent Thirty Four Comma Nine Four Five One (34,9451) hectares

from the MBILA TRIBAL AUTHORITY until the year 2087, on which land dwelling complex will be erected.

AND WHEREAS the share capital of the COMPANY has been divided into share blocks in accordance with Schedule “A” annexed hereto.

AND WHEREAS the COMPANY has conferred upon the HOLDER as HOLDER of the aforesaid share block/s the sole right and privilege to erect a chalet on site number \_\_\_\_\_ and thereafter to the exclusive use, occupation and enjoyment, (free from the payment of any rent therefor) of:

CHALET NO. \_\_\_\_\_ (as it will then be known)

and

Covered Parking No. \_\_\_\_\_

and

Boat Locker Room No. \_\_\_\_\_

as indicated on the layout plans annexed hereto marked “B” (hereinafter referred to as “the PREMISES”) in the complex to be known as SODWANA BAY LODGE (hereinafter referred to as “the COMPLEX”) so long as he/she remains the HOLDER of such share block/s and subject to the terms of this Agreement.

AND WHEREAS it is desirable to record in writing the terms and conditions under which the COMPANY allows the HOLDER to enjoy the rights aforementioned.

**NOW THEREFORE THESE PRESENTS WITNESSETH THAT:**



1. The HOLDER shall have the sole right and privilege to erect a CHALET on site number \_\_\_\_\_ and thereafter to the exclusive use, occupation and enjoyment, (free from the payment of any rent therefor) of the PREMISES.
2. The HOLDER shall have the right and privilege aforementioned so long as he/she continues to be the HOLDER of the aforesaid share block/s and as long as he/she continues faithfully to observe all the terms and conditions of this Agreement and of all management and other regulations made in terms of clause 27 hereof.
3. The premises shall be used by the HOLDER for residential purposes only and for no other purpose whatsoever. The premises shall be used and occupied personally by the HOLDER and not more than:
  - 3.1 4 persons in the case of a two bedroom CHALET
  - 3.2 6 persons in the case of a three bedroom CHALET
  - 3.3 8 persons in the case of a four bedroom CHALET.
4. The HOLDER may let or part with occupation of the premises provided that:
  - 4.1 no such letting and/or parting with occupation shall in any way release the HOLDER from any of his/her obligations to the COMPANY hereunder;
  - 4.2 as a condition precedent to any such letting and/or parting with occupation the HOLDER shall secure from the lessee or the person to whom occupation is given, as the case may be, an undertaking in favour of the COMPANY that such lessee or person shall duly observe all such regulations and conditions as are contained herein. Such undertaking shall be in writing on such terms as the directors of the COMPANY shall from time to time require and shall be lodged with the COMPANY'S authorised agent prior to such lessee or person being given occupation of the premises;
  - 4.3 the consent thereto has been given by the majority of the directors of the COMPANY which consent shall not be unreasonably withheld.
5. No animals or pets shall be kept or harboured in the COMPLEX or permitted in any of the public portions of the premises.
6. The HOLDER shall not allow any of his/her possessions whatsoever or rubbish, debris, dirt or refuse to be left outside the apartment, neither shall he/she allow linen or clothing to be hung on the outside of the COMPLEX except in the place specially designated therefore nor shall he/she allow carpets and/or mats to be shaken or dusted or beaten over balconies or through windows of the apartment.
7.
  - 7.1 The HOLDER shall make his/her own arrangements with regard to the supply of gas for cooking and heating purposes, there being no electricity supply provided in this regard.
  - 7.2 Until the Electricity Supply Commission supplies current directly to the COMPLEX, the HOLDER shall pay a pro rata share of the costs of the supply of temporary electricity, such pro rata share being calculated by the COMPANY'S Auditors on a fair and reasonable basis. The HOLDER shall make his/her own arrangements with regards to the electricity supply after ESKOM power is installed.
  - 7.3 Water supply shall be arranged by the COMPANY in regard to which the HOLDER will be obliged to pay a pro rata share of the costs involved, such pro rata share being calculated by the COMPANY'S Auditors on a fair and reasonable basis.
  - 7.4 Should the COMPANY decide that any of the costs anticipated in this clause would be more conveniently recovered in the monthly levy contemplated in clause 14 below, then the COMPANY shall be entitled to incorporate such costs therein.
8. No structural alterations or additions or alterations to water pipes and/or plumbing or electric, televisions or telephone conduits may be effected within and/or to the premises without the written consent of the COMPANY having been previously obtained.
9. It shall be the HOLDER'S responsibility to effect his/her own insurance in respect of the contents of the premises and to pay all insurance premiums in respect thereof.
10. The HOLDER shall not store or harbour upon the premises or any part of the COMPLEX anything which may vitiate any fire insurance policy held by the COMPANY or increase the premium payable in respect of such policy.
11. The HOLDER shall not cause or permit any disorderly conduct of whatsoever nature upon the premises or any part of the COMPLEX or permit any act matter or thing in or about the same which shall



- constitute or cause a nuisance or any inconvenience to the other occupants of the COMPLEX and/or the COMPANY or its servants.
12. The HOLDER shall at all times maintain the premises in good, clean and habitable order and condition and shall be responsible for all painting and maintenance of whatever nature.
  13. The directors shall from time to time make a monthly levy upon the HOLDER and each and every HOLDER of shares in the COMPANY for the purposes of meeting all the expenses which the COMPANY has incurred or which the directors reasonably anticipate the COMPANY will incur in the maintenance, repair and keeping in good order and condition of its property for which the HOLDER and/or each and every HOLDER of shares in the COMPANY are not individually liable and/or for payment of all rates and other charges and/or services payable by the COMPANY in respect of its property and/or for payment of the salaries and/or wages of the employees of the COMPANY and generally for the payment of all expenses necessarily or reasonably incurred or likely to be incurred in connection with the management of the COMPANY and its affairs and for the management and maintenance and the carrying on of its business provided always that every such levy shall be made upon the HOLDER in proportion that the number of shares held by the HOLDER bears to the total issued share capital of the COMPANY save that in calculation such levy the directors shall take into account any income earned by the COMPANY, and/or any other special condition that they may deem prudent.
  14. The aforesaid levy shall be payable monthly by the HOLDER and each and every HOLDER of shares in the COMPANY not more than thirty days after the receipt by the HOLDER of a notice from the directors as to the amount of such levy.
  15. Any amount due by the HOLDER in respect of the aforesaid levies shall be a debt due and payable forthwith and shall be recoverable forthwith in law by the COMPANY.
  16. The obligation of the HOLDER to pay the aforesaid levy shall cease upon payment of the aforesaid levy up to the date of the lawful termination of the HOLDER'S right of occupation. No such levies paid by the HOLDER including any part of such levies which was required to be paid in advance or in respect of expenses likely to be incurred in the future in terms of clause 13 hereof shall be repayable by the COMPANY on the termination of the HOLDER'S right of occupation of the premises.
    - 16.1 The HOLDER is aware of the fact that he, in terms of the COMPANY'S Memorandum and Articles of Association, as well as all other shareholders of the COMPANY, is or will be bound to a loan agreement with the COMPANY in terms of which an amount of money has been or will be loaned to the COMPANY, which amount is indicated in the COMPANY'S Memorandum and Articles of Association as the LLOCATED LOAN attaching to the share block. (The said amount is referred to and defined in this agreement as "the ALLOCATED LOAN"). 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 share holders.
    - 16.2 The resolution of the COMPANY referred to in the previous sub-clause, shall be a resolution of not less than 75% in number of the Shareholders of the COMPANY (which shareholders 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% of the total votes of all shareholders in the COMPANY excluding shareholders who are share block developers.
    - 16.3 As soon as the total amount due by a member in respect of the ALLOCATED LOAN has been paid to the COMPANY, the COMPANY shall upon the written request of such member, furnish the member with a written certificate to that effect.
  17. The HOLDER shall with the COMPANY'S consent either advance the full amount of the loan to the COMPANY in such instalments as may be agreed between the HOLDER and the COMPANY save that if the COMPANY agrees to the HOLDER advancing his loan to the COMPANY by way of periodic instalments the HOLDER shall then be liable for any payment of interest to the COMPANY on the balance of the loan to be advanced by him such rate of interest to be at all times equal to the rate of interest payable by the COMPANY to its mortgagee in terms of its mortgage bond.
  18. All monies paid by the HOLDER to the COMPANY in payment and/or in reduction of his obligations in terms of clauses 16 and 17 hereof shall be applied by the COMPANY in reduction of the loan payable by the HOLDER to the COMPANY in terms of clause 16 hereof and/or in reduction of any and all interest



- due in terms of clause 17 hereof and/or shall be applied by the COMPANY in discharge of its liabilities excluding its liability in respect of the abovementioned loan by the HOLDER to the COMPANY.
19. The COMPANY shall have a first and paramount lien upon every share in the COMPANY and all any monies advanced to it in terms of clauses 16 and 17 hereof for all amounts owing to it and for the due performance of the terms of this Agreement by the HOLDER, including the costs of any proceedings instituted by the COMPANY against the HOLDER in connection therewith, and for the purposes of enforcing such lien the directors having first served upon the HOLDER notice in writing stating the amount due to the COMPANY and demanding payment thereof, and having not received payment in full of such amount within fourteen days, may sell the HOLDER'S shares and loan to the COMPANY and/or the COMPANY without prejudice to its aforesaid rights to sell the shares and loan to the COMPANY, shall have the right as agent for and on behalf of the HOLDER and to let the premises and to collect all rents and monies payable by the tenant in respect of this occupancy thereof, and to deduct therefrom any monies whatsoever that may be due by the HOLDER to the COMPANY, and any surplus shall be paid over to the HOLDER at such time and in such manner and upon such terms and conditions as they may think fit, but subject to the provisions as to the approval of the purchaser as are set out in Article 11 of the Articles of Association in relation to a transferee, save that should any shares be subject to a pledge in respect of which the COMPANY has received prior notice in writing the said share shall not be sold by the COMPANY unless the directors also shall have given the pledgee fourteen days notice in writing of the default by the HOLDER and notifying the pledgee that the shares will be sold free of the pledge if payment of the full amount owing by the HOLDER to the COMPANY is not made in terms of the said notice.
  20. A resolution of the directors of the COMPANY that a share has been duly sold, in accordance with clause 21 hereof, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to such share and the receipt of the COMPANY for the purchase price of the share shall constitute a good title to such share.
  21. Notwithstanding the COMPANY'S lien upon the HOLDER'S shares or the cession of the HOLDER'S loan to the COMPANY, no shares shall be sold without the HOLDER'S loan to the COMPANY, and no loan to the COMPANY shall be sold without the HOLDER'S shares.
  22. The HOLDER shall be entitled to transfer his shares in the COMPANY, cede and/or assign his loan to the COMPANY and/or his right, title and interest in and to this Agreement, provided he shall have served notice in writing on the COMPANY of the intended transfer, cession and/or assignment in the manner provided by and subject to the Articles of Association of the COMPANY.
  23. The COMPANY shall maintain the exterior of the COMPLEX including all roofs, pipes, electrical and other installations other than those in the apartments in good repair and condition and from time to time and/or as and when necessary renovate and repair the same, and at all times maintain in good order and repair and in a clean and tenantable condition the other portions' of the COMPLEX which are not reserved for the exclusive use of the HOLDER and/or his licencees, and maintain the lawns, gardens, swimming pool, fences, walls and other recreational facilities and take out insurance cover to insure the premises against risks of damage or destruction by fire, storm and/or such other risks and liabilities as the directors may from time to time decide, but shall include insurance cover of the cost of providing the HOLDER with alternative reasonable accommodation in the event of the premises and/or the COMPLEX by reason of its damage or destruction by fire, lighting, explosion, riot, earthquake, malicious damage or accident being unfit for occupation.
  24. The COMPANY shall be entitled at reasonable intervals during normal office hours to enter and inspect the premises to ensure that the HOLDER is not in breach of any of the terms of this Agreement, and in the event of the HOLDER failing to comply within fourteen days of a notice in writing requiring any breach to be remedied, the COMPANY may from time to time enter the premises and at the expense of the HOLDER and without prejudice to any other rights it may have, remedy such breach of the terms of this Agreement.
  25. The COMPANY may from time to time enter the premises at any reasonable hour to effect repairs to any part of the COMPLEX, and if the HOLDER shall not be personally present to open and/or permit such an entry into the premises when for any reason an entry therein shall be necessary, then the COMPANY shall be entitled to enter the premises without being liable to any claim or cause of action for damages by reason thereof provided that in effecting such repairs the COMPANY shall use reasonable care not to cause the loss of or damage to the HOLDERS property.



26. Upon payment in full to the COMPANY by the HOLDER of the loan payable in terms of clause 16 and 17 hereof, the COMPANY shall issue to the HOLDER a certificate acknowledging the receipt by it of such loan.
27. The HOLDER agrees that the COMPANY’S board of directors shall be entitled at all times to lay down general terms and conditions of occupancy relating to the use of radios, air conditioning machines and other electrical appliances and such other matters as the directors deem fit for the convenience and comfort and general well-being of all the occupants of the COMPLEX and from time to time to vary, alter or amend the same, provided always that the board shall have given written notice to the HOLDER and that in the event of a dispute that such terms and conditions shall only be binding upon the HOLDER after they have been ratified by the majority of the HOLDERS of the issued shares of the COMPANY for the time being, which ratification shall be given at a general meeting of the COMPANY.
28. The COMPANY undertakes that it will with all reasonable speed repair and/or rebuild the COMPLEX and/or premises occupied by the HOLDER should it be destroyed by fire, save that in the event of a major reconstruction of the COMPLEX the COMPANY reserves to itself the right to change or vary the form of construction and/or design of the COMPLEX on such reCOMPLEX, provided that it shall grant to the HOLDER the same accommodation as regards position and area of the altered or varied COMPLEX as enjoyed by him/her prior to its destruction, provided always that the COMPANY shall not be bound to expend any more than the sum which it may receive from its insurers arising from any of the aforesaid contingencies.
29. The COMPANY hereby warrants that the HOLDER of each share block in the COMPANY has concluded an Agreement of Use with the COMPANY in respect of each of the premises in the COMPLEX, subject to the same terms and conditions as are herein contained, except in so far as the number of occupants in clause 3, and that it shall not permit any amendments, addition or alteration of the said Agreement without prior written consent of at least 75% of HOLDERS for the time being of shares in the company.
30. The conditions herein contained shall apply mutatis mutandis to an part of the COMPANY’S property reserved for the exclusive use an occupation by the HOLDER and each and every HOLDER of shares in the COMPANY.
31. The HOLDER and each and every HOLDER of shares in the COMPANY shall be entitled to the common use of any part of the COMPANY’S property which is not specifically reserved for the use and occupation of any particular HOLDER subject to such terms and conditions as shall be imposed by the directors from time to time.
32. Any dispute arising out of the COMPANY’S Articles of Association this Agreement shall be referred to the COMPANY’S auditors for arbitration and their decision shall be final and binding.
  - 32.1 Apart from the provisions of the ACT, the COMPANY’S Memorandum and Articles of Association and of this agreement, the CHALET and the PROPERTY (including the use of the COMMON PROPERTY) shall be controlled and managed by way of rules.
  - 32.2 The COMPANY’S directors shall make the said rules which shall become binding as soon as they have been adopted by resolution of the directors. Any rule made by the directors as set out above, may be set aside:
    - 32.2.1 in writing by a majority in value of the shareholders of the COMPANY; or
    - 32.2.2 by a majority in value of the shareholders of the COMPANY in a general meeting of shareholders.
  - 32.3 The COMPANY’S directors may from time to time revoke any rule or later it or add to it; provided that any rule so revoked, altered or added to may be set aside:
    - 32.3.1 in writing by a majority in value of the COMPANY’S shareholders; or
    - 32.3.2 by a majority in value of the COMPANY’S shareholders in a general meeting of shareholders.
  - 32.4 The abovementioned rules may relate to the control, management, administration, use and enjoyment of the CHALET and the COMMON PROPERTY. Without derogating from the generality of the foregoing, the said rules may in particular relate to the following:
    - 32.4.1 the level of noise caused by the use of radios, other sources of music, television and the playing of musical instruments;
    - 32.4.2 the limitation and use of television aerials, airconditioning and any other electrical equipment and of sun blinds;
    - 32.4.3 the neatness and general appearance of the CHALET and the COMMON PROPERTY;

**Sodwana Bay Lodge Share Block Limited**  
**Annexure 4.2 – “A2” Class Shares Use Agreement**



- 32.4.4 the general behaviour of shareholders and other occupiers and users of CHALETS and the COMMON PROPERTY so as to ensure that no shareholder or other occupier shall create a nuisance in a CHALET or on the COMMON PROPERTY;
- 32.4.5 such other matters in the interest of the comfort and general well-being of occupiers of CHALET.
- 32.5 Should any rule made in terms of this clause clash with any provision of this agreement, the provision of this agreement shall prevail.

SIGNED for and on behalf of the COMPANY at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_

AS WITNESSES:

- 1. \_\_\_\_\_
- 2. \_\_\_\_\_

SIGNED by the HOLDER at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_

AS WITNESSES:

- 1. \_\_\_\_\_
- 2. \_\_\_\_\_ PURCHASER





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**AMENDED AGREEMENT OF USE IN TERMS OF SPECIAL RESOLUTION**

Entered into by and between

**SODWANA BAY LODGE SHARE BLOCK LIMITED**

(hereinafter with its successors in title and assigns referred to as the “COMPANY”)

(on the one part)

and

**CORAL COAST RESORTS (PROPRIETARY) LIMITED**

(as the registered holder for the time being of the shares of the COMPANY described as Share Block Numbers 1663 to 1815 and also for each successive HOLDER from time to time of the said shares)

(hereinafter referred to as the “HOLDER”)

(of the other part)

PREAMBLE

WHEREAS the COMPANY has leased certain land described as:

a certain surveyed portion of Remainder of Reserve No 14 of 7638 in extent Thirty Four Comma Nine Four Five One (34,9451) hectares:

from the MBILA TRIBAL AUTHORITY until the year 2087, on which land a dwelling complex will be erected.

AND WHEREAS the share capital of the COMPANY has been divided into share blocks in accordance with Schedule “A” annexed hereto.

AND WHEREAS the COMPANY has conferred upon the HOLDER as HOLDER of the aforesaid share block/s the sole right and privilege to erect 20 (twenty) CHALETS and support infrastructure on the sites formerly described as numbers 63A, 63B and 63C and thereafter to the exclusive use, occupation and enjoyment (free from the payment of any rent therefor) of:

Chalet Numbers: L1 to L22

and

The Restaurant and Craft Centre

and

Boat Locker Number: \_\_\_\_\_

and

Staff Units Numbers: \_\_\_\_\_

as indicated on the layout plans annexed hereto marked “B” (hereinafter referred to as the “PREMISES”) in the complex to be known as SODWANA BAY LODGE (hereinafter referred to as the “COMPLEX”) so long as he/she remains the HOLDER of such share block/s subject to the terms of this Agreement.

AND WHEREAS it is desirable to record in writing the terms and conditions under which the COMPANY allows the HOLDER to enjoy the rights aforementioned.

NOW THEREFORE THESE PRESENTS WITNESSETH THAT:

1. The HOLDER shall have the sole right and privilege to erect CHALETS and a Restaurant Complex as referred to in the Preamble on the sites formerly described as numbers 65A, 65B and 65C and thereafter to the exclusive use, occupation and enjoyment (free from the payment of any rent therefor) of the PREMISES.
2. The HOLDER shall have the right and privilege aforementioned so long as he/she continues to be the HOLDER of the aforesaid share block/s and as long as he/she continues faithfully to observe all the terms and conditions of this Agreement and of all management and other regulations made in terms of clause 27 hereof.
3. The PREMISES shall be used by the HOLDER for residential purposes only and for no other purpose whatsoever. The PREMISES shall be used and occupied personally by the HOLDER and not more than forty (40) persons.
4. The HOLDER may let or part with occupation of the PREMISES provided that:
  - 4.1 no such letting and/or parting with occupation shall in any way release the HOLDER from any of his/her obligations to the COMPANY hereunder;
  - 4.2 as a condition precedent to any such letting and/or parting with occupation the HOLDER shall secure from the lessee or the person to whom occupation is given, as the case may be, an undertaking in favour of the COMPANY that such lessee or person shall duly observe all such regulations and conditions as are contained herein. Such undertaking shall be in writing on such terms as the directors of the COMPANY shall from time to time require and shall be lodged with the COMPANY’S authorised agents prior to such lessee or person being given occupation of the PREMISES;
  - 4.3 the consent hereto has been given by the majority of the directors of the COMPANY which consent shall not be unreasonably withheld.
5. No animals or pets shall be kept or harboured in the COMPLEX or permitted in any of the public portions of the PREMISES.
6. The HOLDER shall not allow any of his/her possessions whatsoever or rubbish, debris, dirt or refuse to be left outside the apartment, neither shall he/she allow linen or clothing to be hung on the outside of the COMPLEX except in the place specifically designated therefor nor shall he/she allow carpets and/or mats to be shaken or dusted or beaten over balconies or through windows of the apartment.
7.
  - 7.1 The HOLDER shall make his/her own arrangements with regard to the supply of gas for cooking and heating purposes, there being no electricity supply provided in this regard.
  - 7.2 Until the Electricity Supply Commission supplies current directly to the COMPLEX, the HOLDER shall pay a pro-rata share of the costs of the supply of temporary electricity, such pro-rata share being calculated by the COMPANY’S Auditors on a fair and reasonable basis. The HOLDER shall make his/her own arrangements with regards to the electricity supply after ESKOM power is installed.



- 7.3 Water supply shall be arranged by the COMPANY in regard to which the HOLDER will be obliged to pay a pro-rata share of the costs involved, such pro-rata share being calculated by the COMPANY'S Auditors on a fair and reasonable basis.
- 7.4 Should the COMPANY decide that any of the costs anticipated in this clause would be more conveniently recovered in the monthly levy contemplated in clause 14 below, then the COMPANY shall be entitled to incorporate such costs therein.
8. No structural alterations or additions or alterations to water pipes and/or plumbing or electric, televisions or telephone conduits may be effected within and/or to the PREMISES without the written consent of the COMPANY having been previously obtained.
9. It shall be the HOLDER'S responsibility to effect his/her own insurances in respect of the contents of the PREMISES and to pay all insurance premiums in respect thereof.
10. The HOLDER shall not store or harbour upon the PREMISES or any part of the COMPLEX anything which may vitiate any fire insurance policy held by the COMPANY or increase the premium payable in respect of such policy.
11. The HOLDER shall not cause or permit any disorderly conduct of whatsoever nature upon the PREMISES or any part of the COMPLEX or permit any act, matter or thing in or about the same which shall constitute or cause a nuisance or any inconvenience to the other occupants of the COMPLEX and/or the COMPANY or its servants.
12. The HOLDER shall at all times maintain the PREMISES in good, clean and habitable order and condition and shall be responsible for all painting and maintenance of whatever nature.
13. The directors shall from time to time make a monthly levy upon the HOLDER and each and every HOLDER of shares in the COMPANY for the purposes of meeting all the expenses which the COMPANY has incurred or which the directors reasonably anticipate the COMPANY will incur in the maintenance, repair and keeping in good order and condition of its property for which the HOLDER and/or each and every HOLDER of shares in the COMPANY are not individually liable and/or for payment of all rates and other charges and/or services payable by the COMPANY in respect of its property and/or for payment of the salaries and/or wages of the employees of the COMPANY and generally for the payment of all expenses necessarily or reasonably incurred or likely to be incurred in connection with the management of the COMPANY and its affairs and for the management and maintenance and the carrying on of its business provided always that every such levy shall be made upon the HOLDER in proportion that the number of shares held by the HOLDER bears to the total issued share capital of the COMPANY save that in calculating such levy the directors shall take into account any income earned by the COMPANY, and/or any other special conditions that they may deem prudent.
14. The aforesaid levy shall be payable monthly by the HOLDER and each and every HOLDER of shares in the COMPANY not more than thirty days after the receipt by the HOLDER of a notice from the directors as to the amount of such levy.
15. Any amount due by the HOLDER in respect of the aforesaid levies shall be a debt due and payable forthwith and shall be recoverable forthwith in law by the COMPANY.  
The obligations of the HOLDER to pay the aforesaid levy shall cease upon payment of the aforesaid levy up to the date of the lawful termination of the HOLDER'S right of occupation. No such levies paid by the HOLDER including any part of such levies which was required to be paid in advance or in respect of expenses likely to be incurred in the future in terms of clause 13 hereof shall be repayable by the COMPANY on the termination of the HOLDERS right of occupation of the PREMISES.

- 16.
- 16.1 The HOLDER is aware of the fact that he, in terms of the COMPANY'S Memorandum and Articles of Association as well as all other shareholders of the COMPANY, is or will be bound to a loan agreement with the COMPANY in terms of which an amount of money has been or will be loaned to the COMPANY which amount is indicated in the COMPANY'S Memorandum and Articles of Association as the ALLOCATED LOAN attaching to the share block. (The said amount is referred to and defined in this agreement as the "ALLOCATED LOAN"). 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 shareholders.
- 16.2 The resolution of the COMPANY referred to in the previous sub-clause, shall be a resolution of not less than 75% in number of the shareholders of the COMPANY (which shareholders shall not include share block developers as defined in the Act) and who have the right to vote at the relevant meeting, and which member shall together hold not less than 75% of the total votes of all shareholders in the COMPANY excluding shareholders who are share block developers.
- 16.3 As soon as the total amount due by a member in respect of the ALLOCATED LOAN has been paid to the COMPANY, the COMPANY shall upon the written request of such member, furnish the member with a written certificate to that effect.
17. The HOLDER shall with the COMPANY'S consent either advance the full amount of the loan to the COMPANY in such instalments as may be agreed between the HOLDER and the COMPANY save that if the COMPANY agrees to the HOLDER advancing his loan to the COMPANY by way of periodic instalments the HOLDER shall then be liable for any payment of interest to the COMPANY on the balance of the loan to be advanced by him such rate of interest to be at all times equal to the rate of interest payable by the COMPANY to its mortgagee in terms of its mortgage bond.
18. All monies paid by the HOLDER to the COMPANY in payment and/or in reduction of his obligations in terms of clauses 16 and 17 hereof shall be applied by the COMPANY in reduction of the loan payable by the HOLDER to the COMPANY in terms of clause 16 hereof and/or in reduction of any and all interest due in terms of clause 17 hereof and/or shall be applied by the COMPANY in discharge of its liabilities excluding its liability in respect of the abovementioned loan by the HOLDER to the COMPANY.
19. The COMPANY shall have a first and paramount lien upon every share in the COMPANY and all and any monies advanced to it in terms of clauses 16 and 17 hereof for all amounts owing to it and for the due performance of the terms of this Agreement by the HOLDER including the costs of any proceedings instituted by the COMPANY against the HOLDER in connection therewith, and for the purposes of enforcing such lien the directors having first served upon the HOLDER notice in writing stating the amount due to the COMPANY and demanding payment thereof, and having not received payment in full of such amount within fourteen days, may sell the HOLDER'S shares and loan to the COMPANY and/or the COMPANY without prejudice to its aforesaid rights to sell the shares and loan to the COMPANY, shall have the right as agent for and on behalf of the HOLDER and to let the PREMISES and to collect all rents and monies payable by the tenant in respect of his occupance thereof, and to deduct therefrom any monies whatsoever that may be due by the HOLDER to the COMPANY and any surplus shall be paid over to the HOLDER at such time and in such manner and upon such terms and conditions as they may think fit, but subject to the provisions as to the approval of the purchaser as are set out in Article 11 of the Articles of Association in relation to a transferee, save that should any shares be subject to a pledge in respect of which the COMPANY has received prior notice in writing the said share shall not be sold by the COMPANY unless the directors also shall have given the pledgee fourteen days notice in writing of the default by the HOLDER and notifying the pledgee that the shares will be sold free of the pledge if payment of the full amount owing by the HOLDER to the COMPANY is not made in terms of the said notice.



20. A resolution of the directors of the COMPANY that a share has been duly sold in accordance with clause 21 hereof, shall be conclusive evidence of the fact therein stated as against all persons claiming to be entitled to such share and the receipt of the COMPANY for the purchase price of the share shall constitute a good title to such share.
21. Notwithstanding the COMPANY'S lien upon the HOLDER'S shares or the cession of the HOLDER'S loan to the COMPANY, no shares shall be sold without the HOLDER'S loan to the COMPANY and no loan to the COMPANY shall be sold without the HOLDER'S shares.
22. The HOLDER shall be entitled to transfer his shares in the COMPANY, cede and/or assign his loan to the COMPANY and/or his right, title and interest in and to this Agreement, provided he shall have served notice in writing on the COMPANY of the intended transfer, cession and/or assignment in the manner provided by and subject to the Articles of Association of the COMPANY.
23. The COMPANY shall maintain the exterior of the COMPLEX including all roofs, pipes, electrical and other installations other than those in the apartments in good repair and condition and from time to time and/or as and when necessary renovate and repair the same, and at all times maintain in good order and repair and in a clean and tenable condition the other portions of the COMPLEX which are not reserved for the exclusive use of the HOLDER and/or his licensees, and maintain the lawns, gardens, swimming pool, fences, walls and other recreational facilities and take out insurance cover to insure the PREMISES against risks of damage or destruction by fire, storm and/or such other risks and liabilities as the directors may from time to time decide, but shall include insurance cover of the cost of providing the HOLDER with alternative reasonable accommodation in the event of the PREMISES and/or the COMPLEX by reason of its damage or destruction by fire, lightning, explosions, riot, earthquake, malicious damage or accident being unfit for occupation.
24. The COMPANY shall be entitled at reasonable intervals during normal office hours to enter and inspect the PREMISES to ensure that the HOLDER is not in breach of any of the terms of this Agreement, and in the event of the HOLDER failing to comply within fourteen days of a notice in writing requiring any breach to be remedied, the COMPANY may from time to time enter the PREMISES and at the expense of the HOLDER and without prejudice to any other rights it may have, remedy such breach of the terms of this Agreement.
25. The COMPANY may from time to time enter the PREMISES at any reasonable hour to effect repairs to any part of the COMPLEX and if the HOLDER shall not be personally present to open and/or permit such an entry into the PREMISES when for any reason an entry therein shall be necessary, then the COMPANY shall be entitled to enter the PREMISES without being liable to any claim or cause of action for damages by reason thereof provided that in effecting such repairs the COMPANY shall use reasonable care not to cause the loss of or damage to the HOLDER'S property.
26. Upon payment in full to the COMPANY by the HOLDER of the loan payable in terms of clause 16 and 17 hereof, the COMPANY shall issue to the HOLDER a certificate acknowledging the receipt by it of such loan.
27. The HOLDER agrees that the COMPANY'S Board of Directors shall be entitled at all times to lay down general terms and conditions of occupancy relating to the use of radios, air-conditioning machines and other electrical appliances and such other matters as the Directors deem fit for the convenience and comfort and general well-being of all the occupants of the COMPLEX and from time to time to vary, alter or amend the same, provided always that the Board shall have given written notice to the HOLDER and that in the event of a dispute that such terms and conditions shall only be binding upon the HOLDER after they have been ratified by the majority of the HOLDERS of the issued shares of the COMPANY for the time being, which ratification shall be given at a general meeting of the COMPANY.
28. The COMPANY undertakes that it will with all reasonable speed repair and/or rebuild the COMPLEX and/or PREMISES occupied by the HOLDER should it be destroyed by fire, save that in the event of a

major reconstruction of the COMPLEX the COMPANY reserves to itself the right to change or vary the form of construction and/or design of the COMPLEX, provided that it shall grant to the HOLDER the same accommodation as regards position and area of the altered or varied COMPLEX as enjoyed by him/her prior to its destruction, provided always that the COMPANY shall not be bound to expend any more than the sum which it may receive from its insurers arising from any of the aforesaid contingencies.

29. The COMPANY hereby warrants that the HOLDER of each share block in the COMPANY has concluded an Agreement of Use with the COMPANY in respect of each of the PREMISES in the COMPLEX, subject to the same terms and conditions as are herein contained except in so far as the number of occupants in clause 3, and that it shall not permit any amendments, addition or alteration of the said Agreement without prior written consent of at least 75% of HOLDERS for the time being of shares in the COMPANY.
30. The conditions herein contained shall apply mutatis mutandis to any part of the COMPANY'S property reserved for the exclusive use and occupation by the HOLDER and each and every HOLDER of shares in the COMPANY.
31. The HOLDER and each and every HOLDER of shares in the COMPANY shall be entitled to the common use of any part of the COMPANY'S property which is not specifically reserved for the use and occupation of any particular HOLDER subject to such terms and conditions as shall be imposed by the Directors from time to time.
32. Any dispute arising out of the COMPANY'S Articles of Association or this Agreement shall be referred to the COMPANY'S auditors for arbitration and their decision shall be final and binding.
  - 32.1 Apart from the provisions of the Act, the COMPANY'S Memorandum and Articles of Association and of this Agreement, the CHALET and the PROPERTY (including the use of the COMMON PROPERTY) shall be controlled and managed by way of Rules.
  - 32.2 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:
    - 32.2.1 in writing by a majority in value of the shareholders of the COMPANY; or
    - 32.2.2 by a majority in value of the shareholders of the COMPANY in a general meeting of shareholders.
  - 32.3 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 to may be set aside:
    - 32.3.1 in writing by a majority in value of the COMPANY'S shareholders; or
    - 32.3.2 by a majority in value of the COMPANY'S shareholders in a general meeting of shareholders.
  - 32.4 The abovementioned rules may relate to the control, management, administration, use and enjoyment of the CHALET and the COMMON PROPERTY. Without derogating from the generality of the foregoing, the said rules may in particular relate to the following:
    - 32.4.1 the level of noise caused by the use of radios, other sources of music, television and the playing of musical instruments;
    - 32.4.2 the limitation and use of television aerials, airconditioning and any other electrical equipment and of sun blinds;
    - 32.4.3 the neatness and general appearance of the CHALET and the COMMON PROPERTY;
    - 32.4.4 the general behaviour of shareholders and other occupiers and users of CHALETS and the COMMON PROPERTY so as to ensure that no shareholder or other occupier shall create a nuisance in a CHALET or on the COMMON PROPERTY;

**Sodwana Bay Lodge Share Block Limited**  
**Annexure 4.3 – “A3” Class Shares Use Agreement**



32.4.5 such other matters in the interest of the comfort and general well-being of occupiers of the CHALET.

32.5 Should any rule made in terms of this clause clash with any provision of this agreement, the provisions of this agreement shall prevail.

SIGNED for and on behalf of the COMPANY at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_

AS WITNESSES

1. \_\_\_\_\_

2. \_\_\_\_\_

SIGNED by the HOLDER at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_

AS WITNESSES

1. \_\_\_\_\_

2. \_\_\_\_\_