

USE AGREEMENT MABALINGWE NATURE RESERVE SHARE BLOCK (PTY) LTD

The Company and You hereby contract on the terms and conditions set out herein:

1. SCHEDULE OF DEFINITIONS

Words signifying the singular shall include the plural and vice versa and words importing one gender shall include the other.

Save as provided herein, or unless the context otherwise requires, words and phrases defined or Used in the Memorandum of Incorporation ("Mol") and the Acts shall have the same meanings in this Use Agreement.

The clause headings in this Use Agreement have been inserted for reference purposes only, and shall not be taken into account in interpreting it.

Unless inconsistent with or otherwise indicate by the context, the following words and expressions shall bear the meanings assigned to them hereunder.

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| 1.1 | "Acts" | means either one or all of the following: The Share Blocks Control Act, Act 59 of 1980, as amended; Property Time-Sharing Control Act, Act 75 of 1983 as amended; The Companies Act, Act 71 of 2008 as amended; and any regulation promulgating in terms of the Acts from time to time or any act which replaced the aforementioned Acts; |
| 1.2 | "Building" | means the Buildings situated on Mabalingwe Nature Reserve (Pty) Ltd property; |
| 1.3 | "Calendar" | means the Time Module Table as per the Mol; |
| 1.4 | "Company" | means Mabalingwe Nature Reserve Share Block (Pty) Ltd; |
| 1.5 | "Companies Act" | means the Companies Act 71 of 2008 as amended from time to time including any regulation promulgated in terms of the Companies Act 71 of 2008 from time to time; |
| 1.6 | "Developer" | means the Share Block Developer from time to time or its successors; |
| 1.7 | "Director" | means the Directors of the Company duly appointed in terms of the Companies Act; |
| 1.8 | "Board" | means the Board of Directors from time to time duly appointed in terms of the Acts; |
| 1.9 | "Effective Date" | means the date of signature by the parties; |
| 1.10 | "Levy Fund" | means the fund established by the Company in terms of Section 13 of the Share Blocks Act; |

- 1.11 “Levy Contribution” means the contribution to the Levy Fund to share in the costs and expenses contemplated in section 13(1) of the Share Blocks Act;
- 1.12 “Manager” means the person appointed from time to time to manage and supervise the Property and the Scheme conducted thereon;
- 1.13 “Managing Agent” means the management Company or its successors appointed by the Board from time to time;
- 1.14 “Mol” means the Company’s filed Memorandum of Incorporation as amended from time to time;
- 1.15 “Occupier” means when Used in the context of the occupation and Use of the Unit and the Company Property, include You, any persons to whom You have temporarily or permanently transferred Your right of occupation in terms thereof including exchanges, You and Your respective families, invitees, guests, servants, exchanges and agents;
- 1.16 “Property” means the property as described in the Mol;
- 1.17 “Time-Sharing Act” means the Property Time-Sharing Control Act 75 of 1983 as amended from time to time;
- 1.18 “Premises” means the improvements erected on the properties;
- 1.19 “Rules” means the Rules (including any house Rules and regulations made there under) or any amendment thereof from time to time by the Board;
- 1.20 “Scheme” means the Share Block Scheme operated by the Company in respect of the Buildings;
- 1.21 “Share Block” Shall mean the specific Share Block to which the Use of a Module is linked pursuant to this Accommodation Use Agreement;
- 1.22 “Share Blocks Act” means the Share Blocks Control Act 59 of 1980 including any regulation promulgated in terms of the Share Blocks Control Act 59 of 1980 from time to time;
- 1.23 “Shareholder / You / Your / User” means his/her/its successors and assigns and any reference to the “Shareholder” shall, when Used in the context of the occupation and Use of the Unit and the Company Property, include You, any persons to whom You have temporarily or permanently transferred Your right of occupation in terms thereof and Your respective families, invitees, guests, servants, employees, tenants and agents and any other person that occupies the Unit during the allocated time Module;

- 1.24 “Unit” means any chalet in the Buildings on the Property, which is furnished and which provides sleeping accommodation for a specified number of persons which is linked to a Share Block pursuant to this Use Agreement of the Company;
- 1.25 “Use” means Use as contemplated by the Share Blocks Act;
- 1.26 “Movable Property” means furniture, fixtures, furnishings, linen, refrigerators and other movable items in the Unit and/or Common Property from time to time;
- 1.27 “Common Area” Means areas on the Property specifically allocated for the communal use of the Shareholders;

2. OCCUPATION

- 2.1 From the Effective Date You and for as long as You continue to hold a share / shareblock and You comply with the provisions of this Use Agreement, You shall:
- 2.1.1 be entitled to the exclusive Use and enjoyment of the Unit, the exclusive Use arrears as holder of the shares in terms of the Mol of the Company;
- 2.1.2 be entitled to the Use and enjoyment of those parts of the Common Area not subject to rights of exclusive Use by other Shareholders in terms of the Scheme; and
- 2.1.3 be entitled to grant occupation of the Unit to 3rd parties in terms of Clause 10 hereof.
- 2.2 You shall have the right to the Use of the Common Area in common with the other Shareholders of the Company, subject to such terms and conditions as may be imposed by the Directors from time to time.
- 2.3 The rights You and other Shareholders enjoy hereunder will continue for the duration of the Share Block Scheme.
- 2.4 You acknowledge that You will have no rights to participate or have any interest in the business or businesses conducted from time to time in your capacity as a shareholder and any commercial interests shall vest in the Company for the benefit of all Shareholders, unless such rights are allocated to specific shares the holder of such shares shall have the right to conduct any such commercial interests.
- 2.5 The Unit shall be used for residential / holidaying purposes only and for no other purpose whatever. The Unit shall be used personally by You and/or another Occupier provided that in any event the number of Users of the Unit shall not exceed the number of persons prescribed.

3. FURNISING AND MAINTENANCE OF UNITS AND COMMON AREA

In respect of Units

- 3.1 The Company shall in respect of each Unit and exclusive use area be obliged to maintain the interior and exterior of the unit and/or any improvements erected on the exclusive use are allocated to You in good, proper and tenable condition and shall also be responsible to effect such repairs as may from time to time become necessary so as to maintain the improvements to a standard commensurate with the overall development of the Scheme. Such maintenance shall include all repairs and maintenance to exterior and interior walls, electricity cables, plumbing, sewerage and water supply.

- 3.2 The Company shall at all times keep the Unit adequately furnished and equipped for occupation as determined by the board from time to time.

In respect of Common Property

- 3.3 The Company shall be obliged to maintain the interior and exterior of the common areas not designated as exclusive use areas and/or any improvements erected on the property in good, proper and tenable condition and shall also be responsible to effect such repairs as may from time to time become necessary so as to maintain the improvements to a standard commensurate with the overall development of the Scheme. Such maintenance shall include all repairs and maintenance of whatever nature required.
- 3.4 The Units shall be furnished and provided with Movable Property which is specified for such Units, it being recorded that the Movable Property is the property of the Company and that nothing in this Agreement shall provide the Shareholder with ownership of any such Movable Property or entitle the Shareholder to remove any such Movable Property from the Units during occupation or upon termination of shareholding. Notwithstanding the foregoing, the Company shall be entitled from time to time with the authority of a resolution of its Directors to replace, repair and/or add Movable Property to the Units, provided that such variation or addition shall not result in any substantial change in the general nature or standard of such Movable Property.
- 3.5 The Company shall fully service the Units or procure that the Units are fully serviced before occupation of Shareholders.
- 3.6 Should the Shareholders not maintain the Movable Property and/or improvements and/or damage the Units, the Manager or the Company shall be entitled effect any repairs or replacements as they deem necessary to ensure that same is in good and proper tenable condition at the expense of the Shareholder and shall be entitled to recover costs of such repairs or replacements from the Shareholders. To this end, the Manager and/or Company shall be entitled at all reasonable times to inspect and access the Units in view of the purpose of carrying out all necessary repairs and renovations at the expense of the Shareholders.
- 3.7 If at any time the Units to be refurbished or renovated, the Company, the Developer, or Manager shall be entitled themselves and their respective contractors and workmen, during normal business hours to access the Units for the:
- 3.7.1 Purpose of carrying out such works as may be required to be done from time to time provided always that the Company and the Developer will use their respective best endeavors to procure that such works are preferably carried out during the maintenance week, if any. If the Shareholder or any other person using the Unit however suffers any inconvenience from such operations conducted in any other parts of the building, the Shareholder and such other person shall have no claim whatsoever against either the Company, the Developers, the Manager, the Managing Agent or other related parties .
- 3.7.2 In the event that the refurbishment or renovation operations referred to above are such as to deprive the Shareholder or any person lawfully claiming use of the Unit or beneficial use thereof or should the Unit for any reason at any time and from time to time not be available for use, no claim whatever will arise against either to the Company, the Developer, the Manager, the Managing Agent or other related parties, but the Company and, the Developer, the Manager, or Managing Agent may provide the Shareholder or such other user, without extra cost to the Shareholder or other user with substantially equivalent temporary accommodation elsewhere in

the scheme or outside the scheme for the duration of the relevant week, or any other time period or for such time as the particular Unit are not so available as the case may be.

- 3.7.3 If any dispute arises at any time as to whether the Shareholder or other User is unable to enjoy beneficial use of the Unit at any time, such dispute shall be determined by the Developer, Managing Agent or Manager who in making such decision shall act as an expert and not as an arbitrator and whose decision shall be final and binding on the Shareholders or such other person.

4. CONDITIONS OF OCCUPATION

4.1 From the occupation date You –

- 4.1.1 shall at all times, as long as this Use Agreement shall remain in force, comply with the laws of the Republic of South Africa, the Mol, this Use Agreement and the Rules and procure compliance with the above mentioned of any Shareholder, invitee of a Shareholder or any guest making Use of the Unit. Noncompliance to the aforesaid, will result in the violation, in response to which the Developer, Managing Agent or Manager, in their sole discretion, may refuse admission to the Property or such person, or if such person gained admission thereto, to require or cause the Shareholder or such person to leave or vacate the Property forthwith.

5. LEVY

- 5.1 The Directors of the Company shall establish and maintain a Levy Fund to which end they shall from time to time make levies upon Shareholders of the Company in such amounts as are in their opinion sufficient for the repair, upkeep, control, management of the Property and administration of the Company and of those portions of the Property for which individual Shareholders are not personally liable, for the payment of rates, taxes and any other local authority charges on the Property, any charges for the supply of electric current gas, water, fuel, sanitary and other services to the Property for which the individual Shareholders are not personally liable, and services required by the Company for the covering of any losses suffered by the Company, the payment of any premiums of insurance and for the discharge of any other obligation of the Company and the Company is authorized to employ and remunerate such persons as may be necessary to fulfil any function of maintenance and or control.
- 5.2 Levies shall be payable in terms of the levy policy, but shall at all times be payable three calendar months prior to occupation whereafter the Company reserves its rights to mitigate its damages in accordance with the policy created by the Board.
- 5.3 The Directors shall estimate the amount which shall be required by the Company to meet the aforesaid expenses during each operational year or any portion thereof, together with the estimated deficiency, if any, as may have resulted from the preceding operational year or portion thereof, and shall make a levy upon the Shareholders of the Company equal as nearly as is reasonable practicable to such estimated amount. The Directors may include in such levies an amount to be held in reserve to meet any anticipated future expenditure not of an annual nature, such as the expenses to be incurred for the redecoration or renovation of the Company's Property and for the replacement of any movable or any part thereof.
- 5.4 You acknowledge being aware of the provision of the Mol of the Company with regard to the levies which will be calculated and raised by the Directors of the Company, and are payable as directed by the Company from time to time.

- 5.5 The Directors may from time to time levy a special levy upon the Shareholders of the Company in respect of such costs, expenses and requirements as are mentioned herein and such levies may be payable in one sum or by such instalments and / or as the Directors deem fit and at such time as the Directors shall think fit.
- 5.6 Any amount due by You by way of a levy or instalment of a levy shall be a debt owed by You to the Company and shall be recoverable by the Company and any arrear amounts in respect of the levies may bear interest in terms of clause 22 hereof. The obligations of a Shareholder to pay a levy shall cease upon the lawful termination of the Shareholder's right of Use, save that any arrear levies to the date of such termination shall nevertheless be recoverable from the Shareholder.
- 5.7 Should You be in arrears with any levy obligation, You shall not be entitled to occupy the Unit for any period until such time as You have paid all Your arrears.
- 5.8 The Levy contribution per share class can be amended by a special resolution of that class of shareholders at any time and if approved by the Board.

6. LIABILITY, LIMITATION AND WAIVER THEREOF

- 6.1 No liability shall rest upon the Company for –
- 6.1.1 anything done or omitted by the Company, Managing Agent, Manager, agents and staff from time to time; and
- 6.1.2 any interruption of whatever nature including failure of electrical and/or water services that may be supplied or any other municipal or other services to the Property, irrespective of the cause thereof nor for any consequential damage You or other Shareholders may suffer by reason of such failure or interruption.
- 6.2 You:
- 6.2.1 Shall waive all claims against the Company for any loss or damage to Property or any injury to person which You may sustain in or about the Unit, the Buildings or the Company Property and indemnify the Company against any such claim that may be made against the Company by You for any loss or damage to Property or injury to a person suffered in or about the Unit or the Company Property howsoever such loss or damage to Property or injury to person may be caused.
- 6.2.2 Shall be liable for and pay a Levy Contribution in the amounts determined by the Directors from time to time.

7. OBLIGATIONS OF THE COMPANY

- 7.1 The Company and the Directors shall, in respect of the Buildings, the Company Property, the Unit, the Shareholder and the Scheme: –
- 7.1.1 Maintain the exterior portion of the Property, including the pool, garden and all roofs and gutters relating to common areas, in good repair and from time to time and as and when necessary, renovate and repair the same.
- 7.1.2 Maintain in good order and repair and in clean and tenantable condition the interior of any common area or building and all such other portions of the Property which are not reserved for the exclusive Use of the Shareholder.

- 7.1.3 Effect such insurances over and in respect of the Property against damage and renew such policies.
- 7.1.4 These obligations shall be financed from the Levy Fund.
- 7.1.5 Insofar as may be necessary ensure that all of any of the functions referred to above which are to be carried out by the Manager, are in fact carried out by the Manager and to ensure the fulfilment by the Manager of its obligations from time to time.
- 7.1.6 The Company shall supply the services including but not limited to water and electricity to all units and no shareholder has any exclusive rights to such. The Company is the owner of such rights to supply and responsible for payment of such. The Company has the right to cut and/or restrict supply to the minimum allowed in terms of law should.

8. VOETSTOOTS

- 8.1 Occupation of the Unit is accepted by You *voetstoots (as it stands)* without any warranty or representation of any nature whatsoever.

9. SECURITY / PLEDGE

- 9.1 The Company has a first and paramount lien and 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.
- 9.2 You hereby pledge the Share Block and Your interest in this Use Agreement and Your right of occupation in terms thereof, to the Company in accordance with the above provision and as contained the Mol.

10. CESSION OF SHAREHOLDER'S RIGHT AND LETTING

- 10.1 You shall only be entitled to cede Your interest in this Use Agreement if simultaneously therewith You transfer Your shares in the manner provided by and subject to the Mol of the Company and the terms of this Use Agreement, and thereby confers upon such person the exclusive Use and enjoyment of the Unit. If however, a purchaser has purchased the shares on suspensive conditions and has not yet taken transfer of those shares, such purchaser shall be required to obtain the prior written consent of the seller to the resale of those shares and the cessation of his rights herein. Before transfer is effected into the name of the transferee, the Company shall require satisfactory proof that You have ceded Your interest in this Use Agreement to the transferee and that the transferee has duly assumed all the transferor's obligations to the Company.
- 10.2 You may let the Unit for the duration of Your Module or allow another to occupy the Unit during which Module, provided that such other persons sign an undertaking to be bound by the provisions of this Use Agreement and/or Rules provided that for all purposes of this Use Agreement any act or omission on the part of any occupant of the Unit including a lessee, sub-lessee or occupant of the User of the Time-Share Unit or invitee of the purchaser, shall be deemed to the act or omission of the purchaser.

11. RIGHTS OF THE COMPANY

- 11.1 If You fail to discharge any of Your obligations in terms hereof, the Company may, without detracting from any other rights it might have and without notice discharge such obligation on Your behalf and recover the costs of doing so from You.

12. POLICIES

12.1 The Board may develop policies to safeguard the Company and shareholders against any eventuality it deems necessary. Policies can include but is not limited to:

12.1.1 Policies regarding rental to recoup or mitigate against financial risk and applying any rental received in pool to extinguish bad debt in general.

12.1.2 Policies regarding acceptable behavior and sanctions.

12.1.3 Policies regarding general debtor control and / or any allowable waivers thereof.

13. BREACH

13.1 Notwithstanding any other rights that the affected party may have in law, should either party breach any terms of this Use Agreement and fail to remedy such breach within 14 (fourteen) days after having been given written notice requiring that breach to be remedied the effected party may claim specific performance.

13.2 In the event that a breach notification has been given to you as shareholder and you fail to rectify your breach within a further 14 (fourteen) days after notice by the Company; or

13.3 If you or guests cause any material damage to the premises or any other part of the property and fails to repair it on demand;

13.4 Then the Company shall be entitled, without prejudice to any other rights which it may have and in particular without prejudice to tits rights to claim and recover damages suffered by the company as a result of such breach, to cancel the agreement and to realise the share on which it has a lien in terms of clause 9 of this agreement and the “Lien and Pledge on Shares and Shareholders Interest” clause as contained in the Memorandum of Incorporation.

14. BUILDINGS

14.1 You will have no claim against the Company by reason of the Unit being unfit for occupation or for any other reason whatsoever. The Company however reserves to itself the right to change or vary the form of construction of the Building or Unit on such rebuilding or repairing, but You shall have the same accommodation as regards the position and area of Building enjoyed by You prior to destruction in such altered or varied construction. Notwithstanding the above, the Company shall not be bound to expend any more in fulfilling any of its said obligations than that such which it may receive from its insurers arising from any of the aforesaid contingencies.

15. RULES

15.1 The Rules, including ancillary rules regarding acceptable use and behavior and any penalties relating thereto may be made and / or varied by the Directors from time to time in line with the best interest of the Company.

16. WARRANTIES AND REPRESENTATIONS

16.1 The Company hereby warrants –

16.1.1 The Company has concluded or will conclude a Use Agreement with each shareholder in respect of each Unit, each shareholder being bound by the terms of this Use Agreement; and

16.1.2 The Company will not permit any amendment addition or alternation to the Use Agreement pertaining to any Unit without approval by special resolution.

17. PAYMENTS

17.1 All amounts payable by the Shareholders to the Company in terms of this Use Agreement shall be paid to the Company, without deduction or set-off and free of exchange at the Managing Agent's office or to such other person or Company and at such other address as the Company may from time to time notify the Shareholder.

18. NOTICES

18.1 All notices required to be given by the Company to the Shareholders in terms of this Use Agreement shall be given in writing or electronic format and delivered by any means as prescribed for notices in terms of the Mol.

19. GENERAL

19.1 No relaxation which the Company may allow You at any time in regard to the carrying out of any of the Shareholder's obligations in terms of this Use Agreement shall prejudice or constitute a novation or a waiver of any of the Company's rights in terms of this Use Agreement.

19.2 This Use Agreement contains all the terms and conditions of the Use Agreement between the Company and Yourself relating to the subject matter thereof, and the Company has made no representations, given no warranties and agreed on no terms in regard to such subject matter other than as stated herein.

19.3 You shall not be entitled to retain or delay payment of any amount owing to the Company in terms of this Use Agreement on the grounds that there is any defect in the Unit.

19.4 It is expressly agreed that this Use Agreement does not constitute a lease or any form of tenancy.

19.5 If any provisions of this Use Agreement conflict with the Share Blocks Act or the Property Time Sharing Control Act or the unalterable provisions of the Companies Act, the Acts shall prevail.

20. SEPARATE AND SEVERABLE

20.1 In this paragraph:

20.1.1 "*pro non scripto*" shall mean never been written;

20.1.2 "*ab initio*" shall mean from the beginning.

20.2 Insofar as any specific provision or provisions of this Use Agreement, its annexures may, by ruling of a court, be held or by statute or by regulations in terms of any statute of parliament be ruled contrary to or having the effect of being contrary to the provisions or intent of any law at the time hereof in force:

20.2.1 Then such provision shall be deemed to:

20.2.1.1 be *pro non scripto*;

20.2.1.2 distinct and severable here from without however detracting from or affecting the enforceability for the rest and remainder of this Use Agreement as the case may be.

21. WAIVER

21.1 No latitude, relaxation or indulgence or extension of time which may be given to You in respect of any matter or thing which You are bound to perform or observe in terms hereof shall under any circumstances be deemed to be a waiver of the Company's rights and the Company shall at all times be entitled to require strict and punctual compliance with each and every provision hereof.

22. INTEREST ON ARREARS

22.1 All arrear or outstanding payments due in terms of this Use Agreement and which are not paid on due date may bear interest.

22.2 The interest rates shall be determined by the Directors from time to time, subject to in as far as be lawful.

22.3 Such interest may be calculated monthly in advance from the date that such amount become due until date of actual payment and shall be considered as a penalty interest to accrue to the Levy Fund.

22.4 The interest may at the election of the Directors be compounded monthly.

23. EXTENSION OF SCHEME AND IMPROVEMENTS

23.1 It is recorded that certain rights exist in terms of improvements and the extension of the scheme. These rights are recorded in the Mol and the share definitions and are exercisable by the holder of the relevant shares.

Signed at _____ on this the ____ day of _____ 20____

On behalf of the Company

Signed and accepted at _____ on this the ____ day of _____ 20____

You

(Shareholder – Duly Authorised)

Unit Number: _____ Week No: _____

Full Name: _____

ID/Reg No: _____