

**PINE LAKE COUNTRY ESTATE**  
**USE AGREEMENT**  
**BETWEEN**  
**PINE LAKE SHARE BLOCK LIMITED**  
**and**  
**PINE LAKE TRUST**

as the Registered Holder for the time being of all the issued A class ordinary shares of the Company, comprising the Share Blocks as hereafter defined.

**THIS AGREEMENT WITNESSETH:**

**1. DEFINITIONS**

For the purposes of this Agreement unless the context otherwise indicates the following words and expressions shall bear the following meanings -

- 1.1 "the Company" - Pine Lake Share Block Limited;
- 1.2 "the Developer" - Pine Lake Trust;
- 1.3 "the Articles" - the Articles of Association of the Company;
- 1.4 "the Property" -
  - 1.4.1 the Company's land described as portion 47 (a portion of portion 27) of the Farm Klipkopje, No. 228, Registration Division JT Transvaal measuring 16,4362 (ONE SIX comma FOUR THREE SIX TWO) hectares held by the Company under Deed of Transfer No. T1011/85 dated 20 March 1985; and
  - 1.4.2 the Company's leasehold land described as remaining extent of Portion 27 of the Farm Klipkopje, No. 228, Registration Division JT Transvaal measuring 63,6153 (SIX THREE comma SIX ONE FIVE THREE) hectares held by the Company under Deed of Lease and includes the buildings;
- 1.5 "the Buildings"- the Chalets, swimming pools, tennis courts, parking areas and other improvements and structures established and to be established on the Property other than the farm portion and known as Pine Lake Country Estate;
- 1.6 "the Chalet property" - that portion of the Property demarcated on the plan Annexure "B1" hereto and which excludes the farm portion, upon which the buildings are established and on which Chalets and other improvements will be established from time to time;
- 1.7 "a Chalet" - residential accommodation erected and to be erected on the Chalet property;
- 1.8 "the Premises" - a Chalet included in the buildings which is linked to a Share Block in terms of the Articles, and comprising self-contained residential accommodation together with the Movable Property in respect of such Chalet contained therein, the Rights to the Use and occupation thereof in terms of this Agreement are held by a Holder of a Share Block of class A shares in the capital of the Company;
- 1.9 "the Farm Portion" - that portion of the Property demarcated on the plan Annexure "B1" hereto (excluding the Chalet property) upon which farming operations may be conducted from time to time subject always to the provisions of clause 3.2 below, the rights to the use and occupation of which are held by the Holder of the B class shares in the capital of the Company in terms of an Agreement of Use relating thereto;
- 1.10 "Common Property" - all portions of the Chalet property and all facilities located on the Chalet Property which are not reserved for the exclusive use of any member of the Company and which are ordinarily available for use by the occupants of the Chalets;
- 1.11 "Week" - the specified week/recurring period of seven days as shown attaching to a Share Block comprising class A shares in the capital of the Company and during which the Holder thereof is entitled to the use of the Premises to which such Share Block is linked in terms of the Articles. Each week is consecutively numbered in respect of each year, commencing with the first Friday of each year, and commences at 14h00 hours on a Friday and terminates at 10h00 hours on the following Friday;
- 1.12 "the Share Block" - each of the Share Blocks comprised of ordinary class A shares in the Capital of the Company and to which particular or specified Premises are linked for a specified week pursuant to this Agreement and the Articles;
- 1.13 "timeshare module" - a single Share Block in respect of a single week and which is held by one Holder or jointly by more than one Holder;
- 1.14 "continuous ownership module" - the timeshare modules in respect of any Chalet relative to the set of all the weeks falling consecutively in each recurring period of 52 consecutive weeks as recorded by the Company from time to time (including the 4 hour period between timeshare modules as specified in 1.11 and the 53rd week where in any calendar year there falls a 53rd Friday) and which are held by the same Holder or Holders jointly, provided that unless specified by the Developer, the holding of Share Blocks by the Developer shall not constitute those Share Blocks as continuous ownership modules;
- 1.15 "Holder" - the Holder of a Share Block and includes a Purchaser thereof whether under a suspensive or resolutive condition as to the passing of ownership or otherwise, and who has not yet taken transfer of the Share Block but who is in or is entitled to the use of the premises;
- 1.16 "the farm portion Holder" - the Holder for the time being of the B class shares in the Company which are linked to the farm portion in terms of the Articles and an Agreement of Use relating thereto;
- 1.17 "Movable Property" - the Movable Property in respect of each of the Premises specified in the schedule Annexure "B2" hereto;
- 1.18 "the Management Agreement" - the Agreement for the time between the Company and the Manager, with an obligation to maintain and operate the Chalets and to manage and supervise the Chalet property;
- 1.19 "Manager" - the person appointed by the Company from time to time to manage and supervise the Chalet and the Chalet property pursuant to the Management Agreement;
- 1.20 "the Directors" - the Directors of the Company;
- 1.21 "the Acts" - collectively, the Share Blocks Control Act No. 59 of 1980 and the Property Time Sharing Control Act No. 75 of 1983 or any amendment thereof or any Act which may be promulgated in substitution thereof. References to "the Act" shall be construed as a reference to either the Share Blocks Control Act or the Property Timesharing Control Act, as the context may require;
- 1.22 "Operational Year" - such period of twelve months as the Directors may determine from time to time and for which levies in terms of clause 9 hereof are assessed;
- 1.23 "Maintenance Week" - the specified week in each operational year in respect of any Premises as identified by the Developer and during which the Company shall have the Right of Use of and access to such Premises for any purpose that may be determined by the Company from time to time including the refurbishing, renovation or maintenance thereof;
- 1.24 "Use" - use as contemplated by the Acts;
- 1.25 words or expressions defined in each of the Acts shall have the meaning therein defined;
- 1.26 any words in this agreement importing -
  - 1.26.1 the masculine gender shall include female and vice versa;
  - 1.26.2 the singular shall include the plural and vice versa;
  - 1.26.3 persons shall include bodies corporate and vice versa;

- 1.27 headings of clauses shall be deemed to have been included for purposes of convenience only and shall not affect the interpretation of the Agreements.

## 2. RIGHTS OF USE

- 2.1 The Holder shall have the sole right to the exclusive use of the Premises for the Week appertaining to his Share Block.
- 2.2 The Holder shall have the right during the Week to the use of the common property in common with the other members of the Company and their lawful invitees subject to -
- 2.2.1 to the rights of the Manager under the Management Agreement.
- 2.2.2 to such terms and conditions as may be imposed by the Directors from time to time.
- 2.2.3 to the rights of the farm portion Holder in respect of the farm portion.
- 2.3 The rights of the Holder hereunder shall endure for the Week in each year for as long as he continues to be the beneficial owner of the Share Block and remains in fulfillment of all the terms and conditions of this Agreement and of the Management Regulations made pursuant to clause 5.4 below from time to time.
- 2.4 The Holder acknowledges that he will have no rights to participate or have any interest in the business or businesses that may be conducted from time to time either on the Chalet property or on the farm portion.
- 2.5 The Premises shall be furnished and provided with the Movable Property which in terms of Annexure "B2" hereto is specified for such Premises, it being recorded that the Movable Property is the property of the Company and that nothing in this Agreement shall vest the Holder with the ownership of any such Movable Property or entitle him to remove any such Movable Property from the Premises either during or upon the termination of any Week the Premises are used by the Holder. Notwithstanding the foregoing, the Company shall be entitled from time to time with the authority of a resolution of its Directors to vary or add to the Movable Property described in Annexure "B2" hereto, provided that such variation or addition shall not result in any substantial change in the general nature or standard of such Movable Property.
- 2.6 The Premises shall be used by the Holder for residential purposes only and for no other purpose whatever. The Premises shall be used personally by the Holder and by members of his family or his invitees, provided that in any event the number of users of the Premises shall not exceed the number of beds provided in the Premises by the Company or such greater number as may be authorized in writing by the Manager from time to time. In the event of the rights of use herein being held by a Company or other Body Corporate, the Premises shall only be used by such person and members of his family or his invitees who may be nominated from time to time by the said Company or Body Corporate, which use shall be subject to the restrictions as to the number of users at any time, and further shall be subject to the prior approval of the Manager in the ordinary course of business, which approval shall not be unreasonably withheld.
- 2.7 No liability whatever shall rest upon the Company for any -
- 2.7.1 failure or breach of the Management Agreement by the Manager or its employees, and
- 2.7.2 thing done or omitted by the Manager from time to time, and
- 2.7.3 interruption or failure of the electrical and/or water services that may be supplied or any other utility or other services to the Property, irrespective of the cause thereof nor for any consequential damage the Holder may suffer by reason of such failure or interruption.
- 2.8.1 If at any time the Premises requires to be refurbished or renovated, the Company, or the Manager, shall be entitled themselves and their respective contractors and workmen during normal business hours to access to the Premises for the purposes of carrying out such works as may be required to be done from time to time provided always that the Company will use its best endeavours to procure that such works are preferably carried out during the Maintenance Week. If the Holder or any person using the Premises however suffers any inconvenience from such operations or any similar operations conducted in any other part of the Building, the Holder and such other person shall have no claim whatever against either the Company, the Developer, or the Manager.
- 2.8.2 In the event that the refurbishing or renovation operations referred to above or any other building operations on the Property are such as to deprive the Holder or any person lawfully claiming use of the Premises or beneficial use thereof or should the Premises for any reason at any time and from time to time not be available for use, no claim whatever will arise against either the Company, the Developer, or the Manager, but the Company, or the Manager, shall be entitled to provide the Holder or such other user without extra cost to the Holder or other user with substantially equivalent temporary accommodation elsewhere in a Chalet or accommodation in the Hotel property for the duration of the relevant Week or for such time as the Premises are not so available as the case may be.
- 2.8.3 If any dispute arises at any time as to whether the Holder or other user aforesaid is unable to enjoy beneficial use of the Premises at any time, such dispute shall be determined by the 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 Holder or such other person.
- 2.9 Notwithstanding anything to the contrary herein contained in the event that the Manager is of the opinion that the admission to use any part of the Property by the Holder or any person claiming any right to the use of the Premises through or at the instance of the Holder, would result in or constitute a contravention of this Agreement or of the Articles or of any law, the Manager will be entitled to refuse admission to the Property by the Holder or such person, or if such person has gained admission thereto, to require or cause the Holder or such person to leave or vacate the Property forthwith.
- 2.10 If the Holder has use of a week that commences with a Friday No. 52 (fifty two), the Holder shall be entitled in any calendar year in which there is a fifty third Friday to use of the Premises for an additional week commencing from such fifty-third Friday and terminating at 10h00 on the first Friday of the following calendar year against payment of the levy in respect of that additional week and there shall be no intervening service period between the consecutive periods of use to which the Holder will be entitled.

## 3. ERECTION AND ACQUISITION OF OTHER IMPROVEMENTS

- 3.1 It is contemplated by the parties that further chalets and/or other improvements (the latter of which will serve whether exclusively or otherwise, the Holders of the A class ordinary shares in the Company's capital) will be erected on the chalet property and if so determined by the Developer on other property in proximity to the chalet property from time to time. The Holder and the Company each consent to the appropriation and utilization of the common property or any portion thereof within the chalet property, and to the acquisition by the Company of any such additional land of rights thereto, including the land in clause 1.4.2 or any portion thereof, and including the farm portion, and the utilization of such land, all for the development of further chalets and improvements as may be determined by the Developer from time to time.
- 3.2 If at any time the Developer acquires for itself or through its nominee B class share in the Company entitling it to the use of the farm portion, each of the Company and the Holder consent and agrees as conditions in favour of the Developer -
- 3.2.1 that the Developer shall be entitled to develop and lay out or procure that the Company develops and lays out the farm portion to chalets and/or recreational and/or ancillary improvements to such extent and in such manner as the Developer may require, provided that such development and layout shall be effected in accordance with the directions of and plans duly approved by the relevant competent authorities.
- 3.2.2 the users of such developments as referred to in clause 3.2.1 shall be entitled to the use of all facilities on the chalet property as fall within the Common Property.
- 3.2.3 the Developer shall be entitled to require that all the B class shares be converted to A class shares to such extent and in such manner as well enable such shares to be share blocked and allocated by the Developer or the Company at the Developers request to such additional developments as to enable such developments and the shares relating thereto be compatibly assimilated into the Company's timeshare scheme contemplated in terms of this Agreement and as an integral part of Pine Lake Country Estate.

- 3.2.4 Use Agreements shall be prepared and concluded between the Holder in respect of the shares referred to in clause 3.2.3 and the Company, upon the terms and conditions recorded in this Agreement, or upon terms similar hereto, but so as to take cognisance of the new circumstances then prevailing.
- 3.2.5 upon the conversion of the B class shares as contemplated above, all the terms and conditions of this Agreement shall apply to such new shares mutatis mutandis until such time as the use agreements referred to in clause 3.2.4 have been duly concluded.
- 3.2.6 in the event that any dispute should arise between any Holder and the Company or between the Company and the Developer or between any Holder and the Developer, or if any matter is required to be determined in order to give effect to the provisions of this clause 3.2, such dispute or matter shall be settled and determined by the Directors or the Manager, as may be requested by the Developer, and the decision of either the Directors or the Manager as the case may be shall be final and binding.
- 3.3 Each of the Company and the Holder -
- 3.3.1 consent to such conversion development and layout and to such restructuring of the Share Blocks in the Company loan obligations and levy liabilities relating to the developments and layout of the farm portion as hereinbefore contemplated as may be consistent with the rights in terms hereof of the Developer.
- 3.3.2 undertake that they will not in any way interfere with or obstruct the Developer in the exercise of its rights as recorded in clause 3.2;
- 3.3.3 agree to support any special resolution that may be required to alter or re-allocate the relevant Share Blocks, loan obligation and/or levy liabilities relating to the farm portion and the development thereof as contemplated above, in order to give legal effect to the rights of the Developer, and to that end the Holder irrevocably appoints the nominee of the Developer as the Holder's proxy and development, to the exclusion of the Holder to attend, speak and vote at any meeting of the Company convened for the purpose of considering and adopting such special resolution.
- 3.3.4 undertake to procure the passing of such special resolutions and such amendments to the Articles as may be necessary to give effect to the rights of the Developer in terms of clauses 3.2 and 3.3.
- 3.4 It is recorded that in terms of the Articles, the costs of such developments, improvements and acquisitions as recorder in this clause 3, are to be borne by the Developer and that the other Holders of the ordinary shares in the Company's capital will not be required to contribute any amounts in respect thereof.
- 3.5 It is recorded that the Company and the Holder contemplate and agree that the Company's loan obligation will be increased from time to time for the purposes (to such extent and on such terms and conditions and in such manner as may be determined by the Developer) of procuring the additional land, the erection of the further chalets, and recreation and/or other improvements (the improvements) as referred to in the Articles, which improvements will either exclusively serve the Premises or be available to the occupants thereof or which will serve both the chalet property and the remainder of the property. Such increase shall be on the basis referred to in the Articles and that -
- 3.5.1 the amount thereof will not exceed the actual cost to the Company of procuring or effecting such additional land, further chalets and/or improvements;
- 3.5.2 such chalets or other improvements will be effected as and when determined by the Developer who will be entirely responsible for lending to the Company such funds as are required by the Company for the purposes of procuring such additional land further chalets and/or improvements, and the Holder will have no liability whatever in respect thereof;
- 3.5.3 the amounts of such loans obligation will upon the creation thereof be deemed to have been allocated proportionately between the Holders of all the shares in the capital of the Company including the Developer, but excluding the farm portion Holder to such extent as the B class shares may still be in existence, from time to time as and when such amounts are advanced, and the amounts of the loan obligation allocated to the Holders of such shares from time to time will be deemed to be fully paid up vis-à-vis the Company, to be ceded to such Holder, and to have been adjusted accordingly, in the proportions in which such Holders hold the shares in the capital of the Company.
- 3.6 All rights and benefits from such additional land and/or further chalets shall accrue to and vest in the Developer through its holding of the relevant class A shares or class B shares, as the case may be, that will attach or relate thereto.
- 3.7 It is recorded that the Company is the holding company of Agricola (Proprietary) Limited (Agricola) which is the owner of the land referred to in clause 1.4.2 and that accordingly in order to enable the Company to comply with the Share Blocks Control Act, a lease has been entered into between the Company and Agricola at a nominal rental. If at any time for any reason considered by the Directors to be sufficient, the Directors consider it necessary or advisable to do so, the Holder consents irrevocably as a condition in favour of the Company and as an object ancillary to the main object of the Company as that term is used and understood in terms of the Share Blocks Control Act -
- 3.7.1 to Agricola being converted to a Share Block Company or the shares in Agricola being so converted or restructured, as to enable the Company as the Holder of those shares to acquire or exercise rights of use over the land of Agricola;
- 3.7.2 to the Company acquiring such Rights of Use in perpetuity to the end that such land will continue to be available to the Company for the implementation of its principal objective;
- 3.7.3 to the Company concluding such Agreements as the Directors consider necessary to implement these provisions;
- 3.7.4 to the cost of and incidental to the implementation of these provisions being costs to be met by the Company from its levy funds in terms of clause 9;
- 3.7.5 to such amendments to this Agreement and to the Articles as the Directors consider necessary as a result of the implementation of these arrangements;
- 3.7.6 and agrees to support any special resolution that may be required to alter or reallocate the relevant Share Blocks loan obligations and/or levy liabilities relating to the land of Agricola in order to give effect to these provisions, and to that end the Holder irrevocably appoints the nominee of the Directors as the Holder's proxy and agent to the exclusion of the Holder, to attend, speak and vote at any meeting of the Company convened for the purpose of considering and adopting such special resolution, and to sign any Agreement required pursuant to or to implement clause 3.7.
- The Company undertakes to procure the passing of such special resolutions and such amendments to the Articles as may be necessary to give effect to the provisions of this clause 3.7.

#### 4. USE OF PREMISES BY PERSONS OTHER THAN THE HOLDER

- 4.1 The Holder, as long as he is entitled to use the Premises in terms of this Agreement, may with the prior consent in writing of the Manager which shall not be unreasonably withheld, permit or allow any other person or persons to use the Premises for the Week or any part thereof, provided however that -
- 4.1.1 such consent shall not be required nor shall the provisions of this clause 4 apply (other than clause 4.2.3) in respect of the use of the Premises by the spouse, children, parents or grandchildren of the Holder or any person accompanying the Holder or his spouse, children, parents or grandchildren aforesaid; and
- 4.1.2 such other use shall not exceed the Week of the Holder's entitlements to the premises; and
- 4.1.3 the Holder shall not allow any other use as aforesaid unless he shall have furnished the Manager with written notice in a form prescribed by the Manager, prior to such other person or persons requiring the use of the premises, of the full name and address of the proposed person or persons and the details of such other person or persons and his or their proposed use of the premises; and
- 4.1.4 should the Holder fail to observe the provisions of clause 4.1.3, without prejudice to any other rights that the Company may have in terms of this Agreement, the Manager shall be entitled to refuse admission to the premises to such other person or persons aforesaid or, having commenced such use, to require or cause him to vacate the premises forthwith.

- 4.2 Notwithstanding the provisions of clause 4.1
- 4.2.1 the Company shall not be deemed to waive any of its rights against the Holder under this Agreement either by virtue of clause 4.1.1 or by giving any consent in terms of clause 4.1;
- 4.2.2 as a condition precedent to the Company's consent being effective, the Holder shall lodge with the Company and with the Manager a written undertaking in favour of the Company that such person or user shall duly comply with the lawful requirements of the Company and of the Manager at all times and observe all the conditions of the Use Agreement and any Management Regulations applicable to the premises and the property generally, which undertaking shall be in such terms as the Company or the Manager shall from time to time require and which shall be lodged with the Company or the Manager if so required prior to any other such user being given use of the premises. Any breach of any such undertaking or of the Use Agreement or Management Regulations by any such other user shall be deemed to be a breach thereof by the Holder.
- 4.2.3 in the event of the Holder lawfully allowing any person unaccompanied by himself to use the premises during the Week/s or any part thereof then the Holder and such person shall be obliged to conform with the relevant requirements of the Use Agreement and shall further be obliged to furnish the Manager with written notice prior to such other person commencing any use of the premises of the full name and address of such other person and the details of such other person's proposed use of the premises in the form required by the Manager, failing which the Manager shall be entitled to refuse such other person admission to the premises or, having commenced such use, to require to cause him to vacate the premises forthwith.
- 4.2.4 any breach of any of the said conditions, either of this Agreement or of the Management Regulations by any third party or by any other person using the premises in the company or under the title of such third party or of the Holder shall be deemed to be a breach thereof by the Holder.

## 5. MANAGEMENT

- 5.1 The Management, control and administration of the Chalet Property, including the premises and the Movable Property and the use, servicing and maintenance thereof shall be under the direction and control of the Manager, who shall be appointed and employed from time to time pursuant to the Management Agreement and who at all reasonable times shall have access thereto for all lawful purposes.
- 5.2 The Company shall procure that the Manager shall -
- 5.2.1 carry out all obligations undertaken by the Company from time to time pursuant to this Agreement.
- 5.2.2 be responsible for fulfilling all obligations assigned to it pursuant to such Manager's appointment in terms of the Management Agreement, including the enforcement of the Management Regulations
- 5.2.3 employ, be responsible for and discharge any supervisor, caretaker and staff or other person engaged to carry out any duties of effect any service in respect of the Property or the Company's business;
- 5.2.4 duly service the premises and for this purpose will sweep and clean the premises and provide linen and towels on a Basis agreed with the Developer;
- 5.2.5 control the checking in and departure of any person entitled to the use of the premises;
- 5.2.6 in the name of the Company collect and deal with all moneys owing to the Company from time to time by the Holder pursuant to the requirements of the Share Blocks Control Act and the Property Time Share Control Act;
- 5.2.7 control the general use of the Chalet Property, including the premises, by Holders of their mutual benefit and comfort;
- 5.2.8 arrange to give effect to the Rights of Use of the Holder pursuant to this Agreement in accordance with such procedural rules as may be prescribed by the Manager from time to time.
- 5.3 The Holder for himself and for any person using the premises from time to time undertakes to observe and comply with the lawful directives of the Manager at all times, provided that should the Holder and/or any such other person fail to observe the check-in procedures prescribed by the Manager from time to time, the provisions of Clause 4.1.4 above shall apply mutatis mutandis.
- 5.4 The Holder agrees that the Manager shall be entitled at all times to lay down terms and conditions of use and maintenance, both in respect of the premises and of the Property generally and including those relating to the care and upkeep of the premises and the Property, use of radios, television sets and aerials, air-conditioning machines and other electrical appliances and apparatus, blinds and awnings, recreational facilities, the allocation and use of parking facilities, the parking of motor vehicles and such other matters as the Directors and/or the Manager deem fit for the general control of the use of the Property and the Chalet Property and for the general convenience, comfort and well-being of all the users of the Property and from time to time to vary, alter and amend the same. In the event of there being any conflict between such regulations and this Agreement, the provisions of this Agreement shall prevail.

## 6. ALTERATIONS AND DECORATION

The Holder shall not improve, decorate or make any alterations or additions to the interior or exterior of the premises or tamper with any fittings, connections or plumbing serving the premises.

## 7. MAINTENANCE

- 7.1 The Company shall, either itself or through the Manager, maintain and repair the whole of the chalet property and all improvements thereon, and the Movable Property and all other furnishings, appliances, décor and equipment of whatever nature used in conjunction with the premises or the chalet property and which is owned or leased by the Company, in a good, secure, clean and thoroughly tenantable order and condition and from time to time as and when necessary or requisite, renovate or renew the same.
- 7.2 It is agreed that the Holder acquires the use of the premises and the Movable Property for the week on a voetstoots basis without any warranties express or implied and in the condition in which they presently stand or will stand when the Holder commences his use thereof. The Company will endeavour to procure that all reasonable steps to remedy any defect in the premises or the movable Property are taken within a reasonable time of having been given notice thereof. Any items, goods or property brought into the premises by the Holder shall as concerns the Company be at the sole risk of the Holder who shall have no claim whatever upon any grounds against the Company for any loss suffered by the Holder howsoever arising.
- 7.3 The Holder undertakes to be bound by any procedures which may be prescribed by the Management Regulations or by the Manager from time to time for the taking of inventories in respect of fixtures, fittings and the Movable Property at the commencement and conclusion of the relevant week or weeks of occupation.
- 7.4 The Company shall effect such insurance over and in respect of the Property and all Movable Property, furnishings, décor, equipment and appliances used in conjunction therewith and which is owned or leased by the Company, in such manner and against such risks as may be determined in accordance with resolutions passed by the members of the Company from time to time, and maintain such policies in force and pay all premiums in respect thereof from time to time.
- 7.5 The Company's or the Manager's duly authorized workmen shall be permitted to enter the premises at any reasonable hour of the day. If authorized by the Directors or by the Secretary, Manager or supervisor acting under the powers delegated by the Directors, in order to examine the same or to effect repairs thereto, or to any part of the Property. If the Holder shall not be personally present to open the premises at any time when and for any reason entry shall be necessary or permissible, then the Secretary or the Manager or supervisor or any other duly authorized agent of the Company shall be entitled to enter the premises without being liable to any claim or cause of action for damage by reason thereof.

- 7.6 The Company shall not be responsible for and the Holder indemnifies the Company against any loss, damage or injury which the Holder or any person using the premises through or at the instance of the Holder, which the Holder may sustain in the premises or in or about the Company's Property by reason of any act whatsoever, or neglect on the part of the Company or the Company's servants, nor shall the Company be responsible for and the Holder indemnifies the Company against any loss, damage or injury of any description which the Holder or any such other person may sustain by reason of the Property or the premises at any time falling into a defective state, or by reason of any repairs, renovations and/or maintenance work to the rest of the Property which are effected or are to be effected by the Company or by any user thereof, or by reason of such repairs, renovations and maintenance work not being effected timeously or at all and the Holder shall not be entitled for any loss of the reasons aforesaid, or for any other reason whatsoever, to withhold any moneys due to the Company.

## 8. HOLDER'S RESPONSIBILITIES

Notwithstanding the provisions of clauses 7 -

- 8.1 The Holder shall be obliged to keep the premises in a clean and tidy condition and use the contents of the premises and all facilities in the remainder of the Property in such manner as will ensure the preservation thereof in the best possible condition, subject always to the relevant provisions of the Management regulations with regard thereto;
- 8.2 If in the opinion of the Manager, which the Directors may require to be confirmed by them at any time, any repairs or renovations to the Property or any portion thereof or the Movable Property including the premises, or any facilities, furnishings or equipment serving the Property or available for use by the Holder, are rendered necessary by reason of any act whether accidental, negligent or willful by the Holder or any member of his household or of any other visitor to or user of the premises, the Holder shall be liable for the cost of repairing, restoring or renovating the relevant portion of the Property or Movable Property in question. The costs of such repairs, renovations or restoration shall be a debt due by the Holder to the Company;
- 8.3 The Company shall at all times, through the Manager or the Company's agents or servant's, be entitled to inspect the premises used by the Holder, and if dissatisfied with the condition thereof or its contents, it may call upon the Holder forthwith to remedy such defective condition. Should the Holder fail to remedy the defect, the Company shall be entitled forthwith thereafter and without prejudice to any other rights it may have, to put the same into good order and condition, at the expense of the Holder, and to recover from the Holder any expenditure thereby incurred;
- 8.4 Where any dispute arises as to whose liability it is to maintain or repair any portion of the Property and any facilities serving same, the premises or of the Movable Property, such dispute shall be determined by the Directors or by the Manager acting under the delegated authority of the Directors and the decision of the Directors or, as the case may be, the Manager, shall be final and binding on the parties to dispute.

## 9. LEVY FUND

- 9.1 The Holder shall pay any charges or expenses for any services made available to the Property, premises and/or the users thereof in respect of the week during which he is entitled to the use thereof, including without affecting the generality of the foregoing, charges for any recreational and entertainment facilities, telephone calls, electricity, maid service, transport and any services not recoverable as part of the levy fund.
- 9.2 The Directors shall establish and maintain the levy fund, and for this purpose they shall from time to time make levies upon the members of the Company, for the maintenance, repair, upkeep, renovation, control, management and administration of the chalet property and Movable Property (including the Premises) and/or for the payment of any obligation of the Company in connection therewith, for the payment of any amounts (including any rates, taxes and any other local authority charges) which may from time to time become due by the Company as a result of the erection of improvements on the chalet property, for the payment of any charges for the supply of electric current, gas, water, fuel, sanitary and other services to the chalet property, and/or the premises, for which the individual members are not personally liable, for any services or facilities required by the Company exclusively for the chalet property, the chalets or the occupants thereof and to cover any losses suffered by the Company in respect thereof, for the payment of any premiums of insurance in respect of the chalet property and the Movable Property and for the discharge of any other obligation of the Company relating to the chalets, the chalet property and the Movable Property, and all costs, fees and other payments which become due and payable from time to time to the Manager in terms of the Management Agreement and such portion of the costs of and incidental to the administration of the Company and the maintenance of its corporate existence, and any other costs of whatever nature which may otherwise or for any other reason whatever be incurred by the Company and which are attributable in whole or in part to the conduct by the Company of a timesharing scheme on the Property or to the existence of the shares in its capital or the Use Agreements with the Company's members and including all costs and expenses incurred by or on behalf of the Company pursuant to any provision of clause 3 above, provided that the provisions hereof shall not be construed as entitling the Company to debit the levy with any portion of the expenses which are solely attributable to the conduct on the property of the farming operation on the farm portion and which would not have been incurred had such timesharing scheme not been in operation.
- 9.3 The costs of and incidental to the maintenance, repair, upkeep, control management and administration of any additional chalets and improvements on the chalet property and pursuant to clause 3.2 above, after the date hereof will be attributed to the levy fund, being apportioned between the completed chalets from time to time. As and when any further chalets are completed, the attribution of such costs may be adjusted or alternatively, the Directors will be entitled in making any estimate for the purpose of 9.3 to allocate costs to the levy fund on a basis determined by them to be reasonable and which takes account of the completion of any such further chalets during the year in question.
- 9.4 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 members of the Company equal as nearly as is reasonably 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 Property or any part thereof or to meet any obligation of the Company in connection therewith. The said estimate shall exclude all costs and expenses directly attributable to the farm portion, which amounts shall be borne directly by the B class Shareholders or as apportioned by the Company to the B class Shareholders if such cost is capable of reasonable apportionment and shall designate -
- 9.4.1 those expenses attributable to the operation and maintenance of the chalets property and the chalets thereon but excluding the interior and movables of any of the premises and
- 9.4.2 those expenses attributable to the operation and maintenance of the chalets which are the subject of time share modules and including the maintenance refurbishment and replacement of interiors and Movable Property, servicing and cleaning. The separate estimates shall be utilized by the Directors for establishing and determining a levy contribution payable pursuant to the terms hereof by those Shareholders whose Shareholders constitute continuous ownership modules. Maintenance cleaning upkeep and servicing of the interiors and movable property of the premises the subject of continuous ownership modules, shall remain the responsibility of the individual Holders of the shares relating thereto.
- 9.5 All such levies shall be payable to the Company annually in one lump sum within 30 (thirty) days after written request being made by the Company or the Manager and shall be for the Holder's share of the estimated total expenses of the Company for the forthcoming operational year and which shall be attributable to the levy fund. Notwithstanding the foregoing -
- 9.5.1 in the event that the Holder is the Developer the annual levies payable in respect of the Share Block shall be paid monthly in arrears commencing on the last day of the first month of the operational year and thereafter on the last day of each successive month, and

- 9.5.2 the levy attributable to those shares falling within the continuous ownership modules shall be payable monthly in advance in 12 equal instalments.
- 9.6 The Directors may from time to time make special levies upon the members of the Company in respect of all such costs, expenses and requirements as are either not mentioned in Clause 9.2, 9.3 or are not recoverable pursuant to Clause 9.4 and such levies may be made payable in one sum or by such instalments and at such time or times as the Directors shall think fit and shall not necessarily be applied directly in the ratio of standard and peak season weeks as set out in this clause 9.
- 9.7 Written notices shall be given in respect of levies payable by members of the Company and such notice shall be subject to the provisions relating to notices in the Articles of Association.
- 9.8 For purposes of establishing the weekly levy amount in respect of the timeshare modules -
- 9.8.1 week numbers shall initially and subject to 9.8.5 be classified as follows -

Levy Class	Week Numbers	Total
Standard	2 to 11, 16 to 25, 30 to 49	40
Peak	1,12 to 15, 26 to 29, 50 to 52	12
		52

- 9.8.2 the levy amount payable by the Holder and the other Holders of the shares, shall be on the basis that the levy payable in respect of the peak weeks will not exceed the levy payable in respect of the standard weeks by more than 20% thereof.
- 9.8.3 subject to 9.8.2 the standard weekly levy amount shall be determined by dividing the estimated levy amount referred to in 9.4, by the total number of completed timeshare module chalets multiplied by 51 weeks, which standard levy may be increased in an amount to a peak levy as provided in 9.8.2 and 9.8.5.
- 9.8.4 the Directors shall be entitled to round the weekly levy amount to easy calculation and administration thereof. In any year in which there is a 53rd Friday the Holders of Share Blocks in respect of week number 52 shall pay an additional levy in that year for such 53rd week in an amount equivalent to that paid in respect of week number 52.
- 9.8.5 notwithstanding the above the Directors in their sole discretion shall be entitled from time to time to reclassify weeks as Standard or Peak and vice versa based on school holidays and the consequent preponderance of double occupancy in the chalets. The Directors shall advise the Holders at the Annual General Meeting of the Company of any reclassification. There shall not be more than 12 Peak Weeks.
- 9.9 Any amount due by the Holder by way of a levy or instalment of a levy shall be a debt owed by the Holder to the Company and shall be recoverable by the Company. The obligation of a Holder to pay a levy shall cease upon the lawful termination of the Holder's right of use, save that any arrear levies to the date of such termination shall nevertheless be recoverable from that Holder. No levies and no part of any levy paid by a Holder shall be refundable by the Company on the termination of a Holder's right of occupation.
- 9.10 Should the Holder fall into arrear with any levy obligation or part thereof or liability in terms of Clause 9.10.1 below, then without prejudice to any other rights the Company may have hereunder, the Holder -
- 9.10.1 shall automatically become liable for and agrees to pay to the Company such reasonable amount as the Directors in their discretion shall deem fit from time to time to compensate the Company for any inconvenience and loss that the Directors or the Manager consider the Company may suffer by reason of such default, together with interest on the amount of the levy obligation or relevant portion thereof reckoned from the due date thereof to date of payment at such rate of interest prescribed by the Directors from time to time but not exceeding the maximum permissible rate allowed from time to time by the Usury Act No. 73 of 1968 as amended, and
- 9.10.2 shall not be entitled to gain admission to or use the premises nor derive any benefit whatsoever for the week until such time as he has paid all such arrears including interest and other charges.
- 9.11 The Holder shall have no right to reclaim from the Company any amount paid by him by way of contribution or special levy, but in the event of the Holder disposing of his Share Block, the Transferee thereof shall be entitled to any credit which may have accrued to the Holder in terms of Clause 9.4 above.

## 10. CONTINUOUS OWNERSHIP MODULES

Notwithstanding anything to the contrary herein or in the Articles contained, in respect of any Premises the subject of any continuous ownership module -

- 10.1 The provisions of clauses 2.5, 2.8, 5.2.4, 6 (but only insofar as it relates to the interior of the Premises), 7 (but only insofar as it relates to the interior of the premises and the Movable Property, save that clause 7.5 shall in any event apply in toto), and 8 (but only insofar as it relates to the Movable Property and furnishings within the premises), shall not apply;
- 10.2 The Rights of Use prescribed pursuant to clauses 2.1, 2.2 and 2.3 shall apply in respect of the term of the continuous ownership module;
- 10.3 References in this Agreement to the week shall be deemed to be references to the aggregate of all the weeks constituting the relevant continuous occupation module;
- 10.4 Neither the Company nor the Manager shall have any obligation or responsibility of whatever nature -
- 10.4.1 to service, clean, keep-up, maintain, decorate, furnish, provide any linen or towels or supply any Movable Property to, the interior and fixtures and fittings of the premises in question;
- 10.4.2 to insure or care for or manage any of the contents of the premises in question;
- The sole responsibility for which shall vest in the Holder of the Share Blocks the subject of the continuous ownership module remains as such.
- 10.5 Notwithstanding anything to the contrary herein or in the Articles contained, no timeshare modules forming part of any continuous ownership module may be sold, transferred, encumbered or alienated in any way separately from all the remaining timeshare modules of that continuous ownership module, without the prior written consent of the Company, provided that the Company shall be obliged to furnish its consent upon compliance by the Holder to the satisfaction of the Company with the following -
- 10.5.1 the Holder lodging with the Company a request in writing that he be permitted to sell, transfer, encumber or alienate the Share Block or Share Blocks in question and furnishing such information in connection therewith as may be required by the Directors.
- 10.5.2 the Holder complying at his cost with the standards of furnishing and fittings to a standard at least equivalent to that found in other chalets the subject of timeshare modules and as provided for in clause 2.5 and vesting ownership thereof in the Company on terms stipulated by the Company.
- 10.5.3 the Holder agreeing in writing to relinquish one Share Block representing the maintenance week in respect of those premises on a basis stipulated by the Company.
- 10.5.4 the Holder complying with any other reasonable requests that the Company may make to ensure that the relevant chalet compliments the then existing timeshare scheme for Pine Lake Country Estate.
- 10.6 Immediately the Company furnishes its content to the sale, transfer, encumbrance or alienation of the timeshare module as referred to in preceding clause 10.5, the continuous ownership module in question will then cease to be such, and each remaining timeshare module will resume its status as a timeshare module subject to all the remaining terms and conditions of this Agreement with effect from the date of such consent.

- 10.7 If any dispute arises as to the application of any provision of this Agreement to any continuous ownership module or as to anything arising out of this clause 10, or as to the levy calculations and their allocation between the timeshare modules and continuous ownership modules, or as to anything arising in connection therewith in terms of clause 9, such dispute shall be determined by the Directors whose decision shall be final and binding on the parties.

## 11. DAMAGE TO OR DESTRUCTION OF BUILDING

- 11.1 In the event of the majority in number of the chalets being -
- 11.1.1 totally or substantially destroyed by any cause whatsoever so that they cannot be beneficially utilized, the Company shall be entitled to elect whether or not to continue with this Agreement, provided that it shall convey its decision to the Holder in writing not later than three months after the date of the relevant damage to the chalets;
- 11.1.2 partially damaged or destroyed by any cause whatsoever but so that the majority in number of units to which Share Blocks relate can be beneficially used, then this Agreement shall not be terminated, and the Company shall as soon as reasonably practical proceed to rebuild or repair or reinstate the destroyed or damaged portion of the chalet property and proceed expeditiously to the completion thereof within a reasonable time provided that should the Company at any time elect to rebuild, repair or reinstate the chalet or chalets this Agreement shall automatically continue in full force and effect in respect of the restored chalet / chalets and if the Company shall have terminated this Agreement, such termination shall be set aside and be of no force and effect, notwithstanding anything to the contrary herein contained. The Company shall have the right to change or vary the form of construction of the chalets on such rebuilding or repairing, but the Holder shall be entitled to have substantially the same accommodation as regards the position and area of the premises enjoyed by him for his period prior to the damage or destruction in such altered or varied construction. Notwithstanding the above or anything else to the contrary herein contained, the Company shall not be bound to expend any more in fulfilling any of its said obligations than that sum which it receives from its insurance arising from any of the aforesaid contingencies.
- 11.2 The Holder shall have no claim against the Company for damages or compensation under any of the circumstances set out in 11.1 or upon the exercise by the Company of any of its rights in terms of 11.1 -
- 11.2.1 arising by reason of his loss of the Right of Use of the premises, whether such right be lost permanently or temporarily;
- 11.2.2 arising by reason of the fact that the Company's Movable Property was not insured or inadequately insured, even if such failure to insure or to insure adequately arose from the negligence of the Company or any of its Agents or employees (but subject always to Section 19 of the Share Blocks Control Act);
- 11.2.3 arising out of any winding up consequent upon the destruction of the chalet property, or any portion thereof, save for claims expressly provided for in the Company's Articles of Association.
- 11.3 Nothing contained in clause 11.1 above shall operate to relieve the Holder of liability to the Company or to any other Holder who may be entitled to the use of any Premises in respect of any week in the event of any destruction or damage contemplated herein arising out of or being attributable to any negligence or breach of this Agreement by the Holder or any person for whom the Holder is responsible in law.

## 12. CESSION OF RIGHTS

- 12.1 The Holder shall only be entitled to cede his rights herein -
- 12.1.1 to the Transferee of the Share Block to which this Use Agreement is linked and together with the allocated loan;
- 12.1.2 simultaneously and together with the transfer of the Share Block unless the Directors agree to defer the transfer of the Share Block;
- 12.1.3 simultaneously and together with the assignment to and acceptance and agreement of the Transferee to be bound by all the Holder's obligations to the Company hereunder and in terms of the Articles of Association;
- 12.1.4 subject to the relevant provisions of the Articles of Association and the Company's prior written consent.
- 12.2 Any such cession and assignment shall be in such form and upon such conditions as the Company may from time to time stipulate.

## 13. TERMINATION

This Agreement shall only remain in full force and effect and only in respect of the week for so long as the Holder is the Holder or beneficial Owner of a Share Block or remains entitled to the transfer thereof, provided that -

- 13.1 Should the Holder or any person lawfully using or entitled to the use of the Premises fail to vacate the premises or as the case may be, the Property -
- 13.1.1 upon the conclusion or at the end of any week without first having secured the written consent thereto of the Manager, unless the Holder shall have validly concluded an arrangement to continue in use with or have obtained the consent of the Holder entitled to the successive week or weeks and shall otherwise have complied with the relevant requirements of clause 4 above;
- 13.1.2 upon the request of the Directors or the Manager in the circumstances referred to in Clauses 2.9, 4.1.4 or 9.10.2 above; or
- 13.2 Should the Holder commit any other breach of the provisions of this Agreement or of the Company's Articles of Association or of the concurrent Agreement of Sale in terms of which the Holder acquired the Share Block or of any of the Management Regulations made in terms of Clause 5 above and should the Holder fail to remedy such breach within seven days of the date of delivery by hand or posting by prepaid registered post of a written notice calling upon him to remedy the same; or
- 13.3 In the event of the Holder committing or suffering the commission of any other breach of the said terms and conditions and committing or suffering a repetition of such breach within a period of thirteen consecutive months after having been warned in writing by the Directors or the Manager to desist therefrom; or
- 13.4 Should the Holder -
- 13.4.1 commit or permit the commission or any offence or any contravention of any law which endangers or which may endanger the validity of any licence or permit of whatever nature relating to the Property or chalet property or any activities conducted on the Property or the chalet property;
- 13.4.2 cause any material damage to the premises or any other part of the Property or the chalet property;
- 13.4.3 cause a nuisance to other occupiers of portions of the Property or the chalet property from time to time;
- 13.4.4 commit or permit the commission of any act which places at risk the validity of any insurance policy over the Property, the Company shall be entitled notwithstanding any prior waiver on its part of any of its rights and without prejudice to any other rights it may have, to cancel the Agreement forthwith; and
- 13.4.5 to obtain repossession of the said premises and for that purpose to take whatever action may be necessary for the immediate ejection of the Holder and/or other user from the said premises, without prejudice to the Company's rights to claim whatever monies may be owed to it, and such damage to the Company may sustain by reason of the Holder's breach or default, including legal expenses of whatever nature; and
- 13.4.6 without prejudice to the Company's right to sell the said Share Block at any stage, the Company shall have the right as Agent for and on behalf of the Holder and as a Procurator in rem suam to hire out the use of the premises and to collect all consideration and monies payable by the hiring user in respect of his use thereof, and to deduct therefrom any monies whatsoever that may be owed by the Holder firstly to the Company and thereafter to the person from whom the Holder acquired the Share Block; and
- 13.4.7 without prejudice to any other rights and without, having to obtain the consent of any pledgee Seller from whom the Holder acquired the Share Block, to sell the said Share Block. The proceeds received by the Company from the said sale shall be applied firstly in reduction of any indebtedness of the Holder to the Company and thereafter to the person from whom the Holder acquired the Share Block, whilst any surplus shall be paid over to the Holder who shall nevertheless remain responsible for any deficiency.

For all purposes of this Agreement any act or omission on the part of any person entitled to the use of the premises or his invitee shall be deemed to be the Act or omission of the Holder.

In pursuance of the Company's rights in terms of the foregoing provisions, the Company shall be entitled to give transfer to the Shares and cession of this Agreement to the Purchaser for and on behalf of the Holder, who shall forthwith deliver his share certificate to the Company. In the event of a failure so to deliver, the Company shall be entitled to make the necessary entries of transfer in its Register of Members and records without the share certificates being delivered to it and upon such entries being made, the defaulting Holder shall cease to be a member of the Company and cease to have any further rights hereunder and his share certificates shall be deemed to be cancelled and the Purchaser shall be deemed to have good title.

#### **14. VARIATION OF AGREEMENT**

- 14.1 Save as provided for in clause 2.5 and 3 above, the Company will not permit any amendment, addition or alteration of any Use Agreement pertaining to any Unit in the Property for any period without the prior consent of not less than 75% (seventy-five percent) in numbers of the Holders for the time being of the shares in the Company.
- 14.2 No latitude, relaxation or indulgence or extension of time which may be given to the Holder in respect of any matter or thing which the Holder is 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.
- 14.3 No variation of this Agreement shall be of any force or effect unless save as provided for in clause 2.5 above and subject to clause 14.1 such variation is reduced to writing and signed by the parties or their duly authorized agents.
- 14.4 If by virtue of any provision of the Management Agreement any conflict arises in the obligations of the Holder vis-a-vis the Company or vice versa by virtue of any direct involvement of the Holder as the Manager, this Agreement shall prevail.

#### **15. JURISDICTION**

In the event of it being necessary for the Company to take any legal proceedings against the Holder hereunder, the Company shall, at its option, be entitled to take such legal proceedings in the Supreme Court or the Magistrate's Court having jurisdiction in respect of the Holder's person, notwithstanding the fact that such proceedings which might arise are beyond the jurisdiction of such Magistrate's Court and, in either of the foregoing events, the Holder shall be liable for all Attorney and client costs and any collection charges incurred by the Company.

#### **16. NOTICES**

- 16.1 The following addresses are hereby selected as the respective domicilia citanda et executandi for all purposes under this Agreement in respect of the relevant parties -
  - 16.1.1 the Company at 2nd Floor, Twin Towers East, Sandton City, Sandhurst 2146 and a copy to the Developer at the address specified in clause 16.1.2 below marked for the attention of the Managing Director;
  - 16.1.2 the Developer at 10 Beach Mews, 10 Lagoon Drive, Umhlanga Rocks 4320;
  - 16.1.3 the Holder at the relevant address for the time being recorded in the Share Register of the Company provided that if such address is not an address in the Republic of South Africa the Holder's domiciliary address shall then be deemed to be the address of the chalet property until such time as the Holder duly appoints an address pursuant to clause 16.2 below.
- 16.2 The Holder may by written notice to the Company change its domiciliary address to another address in the Republic of South Africa not being a Post Office Box number or Post Restante at the expiration of not less than thirty days written notice dispatched by prepaid registered post to the Company and the Company and the Developer may by written notice, including advertisement in any publication sent to all Holders, change their respective domiciliary addresses.
- 16.3 Subject to 16.2 all notices delivered or sent by prepaid registered post by any party to the other shall be deemed to have been received at the time of delivery or on the fourth business day following the date of posting in the Republic of South Africa, as the case may be.

#### **17. DIVISIBILITY**

The provisions of this Agreement -

- 17.1 shall apply and be linked to each individual Share Block in the capital of the Company; and
- 17.2 are divisible in respect of each of the Share Blocks in the capital of the Company.

**SIGNED FOR PINE LAKE SHARE BLOCK LIMITED**

**SIGNED FOR PINE LAKE TRUST**

#### **Update to Notices 16**

##### **Pine Lake Share Block Limited**

Registration Number: 1981/008079/06

("the Company")

Registered Office  
Palazzo Towers East  
Montecasino Boulevard  
Fourways, 2055