

SABIE RIVER HOTEL AND COUNTRY CLUB

USE AGREEMENT

BETWEEN

SABIE RIVER SHARE BLOCK LIMITED

and

SOUTHERN SUN TIMESHARING

as the registered Holder for the time being of all the issued A 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 -

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| 1.1 | "the Company" - | Sabie River Share Block Limited; |
| 1.2 | "the Developer" - | Southern Sun Timesharing; |
| 1.3 | "the Property" - | Portion 20 of the Farm, Perry's Farm, No 9. Registration Division J.U. District White River, measuring 40,6548 hectares and held by the Company under certificate of consolidated title No. 23808/1967, dated 5 July 1967; |
| 1.4 | "the Chalet property" - | such portion of land upon which Chalets, as defined herein or other improvements to the Property which exclusively serve the Chalets or the occupants thereof, are erected from time to time; |
| 1.5 | "a Chalet"- | residential accommodation erected on the Property and the use and occupation whereof has been granted to the Holder of a Share Block; |
| 1.6 | "the Hotel portion" - | the whole of the Property, excluding the Chalet property, it being recorded that the Holder of the "B" ordinary shares in the capital of the Company is entitled to the exclusive use and occupation of the Hotel portion; |
| 1.7 | "Premises" - | the Premises linked to the Share Block purchased by the Holder or of which the Holder is the registered owner and to the use of which the Holder is entitled in terms of this Agreement; |
| 1.8 | "Common Property"- | all portions of the Property and all facilities located on the Property which are ordinarily available to use by guests of the Hotel, but excluding the guest rooms; |
| 1.9 | "Week" - | the specified Week as shown attaching to a Share Block in terms of the Company's Articles of Association during which the Holder is entitled to the use of the Premises which is linked to such Share Block. Each week commences at 14h00 on a Friday and terminates at 10h00 on the following Friday. Weeks are consecutively numbered in respect of each year, commencing with the first Friday of each year; |
| 1.10 | "the Share Block" - | each of the Share Blocks comprised of the "A" ordinary shares in the Company and to which Premises are linked for a Week pursuant to this Agreement and the Articles of Association of the Company; |
| 1.11 | "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; |
| 1.12 | "Movable Property" - | the Movable Property specified in the schedule Annexure "B1" hereto; |
| 1.13 | "the Management Agreement" - | the Agreement for the time being between the Company and the person appointed by the Company to manage and supervise the entire Property; |
| 1.14 | "Manager" | the person appointed from time to time to manage and supervise the Property and the Hotel business conducted therein pursuant to the Management Agreement; |
| 1.15 | "the Directors" - | the Directors of the Company; |
| 1.16 | "the Acts" - | collectively, the Share Block Control Act No. 59 of 1980 and the Property Timesharing Control Act No 75 of 1983 or any amendment thereof or any Act which may be promulgated in substitution thereof. References to "the Acts" shall be construed as a reference to either the Share Blocks Control Act or the Property Time Sharing Control Act, as the context may require; |
| 1.17 | "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; |
| 1.18 | "Maintenance Week" - | the specified Week in each operational year in respect of any Premises in the building which is not attached to any Share Block in terms of the Company's Articles of Association 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; |
| 1.19 | "Use" | use as contemplated by the Acts; |
| 1.20 | "the B class shares" | the B class shares in the capital of the Company which, together with the Use Agreement relating thereto, entitle the Holder thereof to the use and occupation of the Hotel portion; |
| 1.21 | words or expressions defined in the Share Blocks Control Act and the Property Timeshare Control Act shall have the meaning therein defined; | |
| 1.22 | any words in this Agreement importing - | |
| | 1.22.1 | the masculine gender shall include female; |
| | 1.22.2 | the singular shall include the plural; |
| | 1.22.3 | persons shall include bodies corporate; |
| 1.23 | headings of clauses shall be deemed to have been included for purposes of convenience only and shall not affect the interpretation of the Agreement. | |

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 "A" members of the Company and guests of the Hotel subject-
 - 2.2.1 to the rights of the Manager under the Management Agreement and to the rights of the Holder of the "B" class shares or any person authorised by the Holder of the "B" class shares, to occupy any part of the Hotel portion;
 - 2.2.2 to such terms and conditions as may be imposed by the Directors from time to time.
- 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 3 below from time to time. Provided that if after compliance with the provisions of the Company's Articles of Association the Property is disposed by the Company this Use Agreement will lapse and be of no further force or effect upon the transfer thereof out of the Company's name or upon such other date as may have been designated for this purpose in the Agreement for such disposal.
- 2.4 The Holder acknowledges that he would have no rights to participate or have any interest in the business or businesses conducted from time to time in the Hotel portion.
- 2.5 The Premises shall be furnished and provided with the Movable Property which in terms of Annexure "B1" 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 "B1" hereto, provided that such variation or addition shall not result in any substantial change in the general nature or standard of such Movable Property and provided further that any major refurbishment of the Premises (whether alone or together with other premises) shall require the approval of the Company in general meeting.
- 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 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 any law or a breach of the Liquor Act, 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.

3. ERECTION OF OTHER IMPROVEMENTS ON THE CHALET PROPERTY

- 3.1 It is contemplated by the parties that further Chalets or other improvements which will serve, (whether exclusively or otherwise) the Holders of the "A" ordinary shares in the Company's capital, will be erected on the Property from time to time, and that the area of the "Chalet Property" as defined in this Agreement will be adjusted accordingly from time to time.
- 3.2 It is further recorded that in terms of the Company's Articles of Association, the costs of such improvements are to be borne by the Developer and, if so agreed, the Holder of the "B" ordinary shares in the Company's capital, and that the other Holders of the "A" ordinary Shares in the Company's capital will not be required to contribute any amounts in respect of such development.
- 3.3 The Holder hereby irrevocably authorizes the Company to increase its loan obligation by an amount equal to the cost of such further improvements and the re-allocation of the amounts lent to the Company for that purpose to the Holder and the other "A" members for the time being, in the manner set out in the Company's Articles of Association.

4. USE OF SUITE 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 by such third party on such terms as the Manager shall reasonably require that the third party will duly comply with the lawful requirements of the Company and of the Manager at all times and observe all the conditions of this Agreement and the Management Regulations applicable to a third party as may be in force from time to time;
- 4.2.3 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 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 whilst the Property or any portion thereof is utilized for the purpose of conducting therein the business of a licensed Hotel, at all times comply with and ensure the due fulfillment of the Liquor Act and the Hotels Act to which law this Agreement shall, notwithstanding anything to the contrary herein contained, be subject and shall procure that the Chalets are regarded part of the Hotel for the purpose of the Hotels Act and graded accordingly but it is recorded that the Chalet Property will be excluded from the Liquor Licence relating to the conduct of such Hotel;
 - 5.2.2 carry out all obligations undertaken by the Company from time to time pursuant to this Agreement;
 - 5.2.3 carry out such of the obligations undertaken by the Company from time to time pursuant to any Agreement with the Holder of the "B" class shares or other occupants of any part of the Business Portion as may be agreed from time to time;
 - 5.2.4 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;
 - 5.2.5 employ, be responsible for and discharge any supervisor, caretaker and staff or other person engaged to carry out any duties or effect any service in respect of the Property or the Company's business;
 - 5.2.6 duly service the Premises and for this purpose will daily sweep and clean the Premises and provide linen and towels;
 - 5.2.7 control the checking in and departure of any person entitled to the use of the Premises;
 - 5.2.8 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;
 - 5.2.9 control the general use of the Building, including the Premises, by Holders for their mutual benefit and comfort and ensure whilst the Hotel business is conducted in the Property that at all times such business and operation is properly conducted;
 - 5.2.10 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, awnings, fire places, 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 for the general convenience, comfort and well-being of all the users of the Property and from time to time to vary, alter or 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, (and subject to any obligation of any other person provided for in any lease of any portion of the Property) maintain and repair the whole of the Property and all improvements thereon, and the Movable Property and all other furnishings, appliances, decor and equipment of whatever nature used in conjunction with the Premises or the Property and which is owned 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 the Premises 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 by the Company, in such manner and against such risks as may be determined -
 - 7.4.1 In the case of the Chalet Property and the Movable Property, by or in accordance with resolutions passed by the "A" 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.
 - 7.4.2 In respect of the Hotel portion and any furnishings, décor, equipment and appliances which do not form part of the Movable Property, by or in accordance with resolutions passed by the "B" members of the Company from time to time deemed fit and proper by the Directors or otherwise in accordance with the relevant resolutions passed by the members of the Company from time to time at general meetings of the Company and to renew such policies.
- 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 by the Company or by any other 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 of the reason 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 on 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 renovations to the Property or any portion thereof or the Movable Property including the Premises, or any facilities, furnishing or equipment serving the Property or available for use by the Holder, are rendered necessary by reason of any act whether accidental, negligent or wilful 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 servants, 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 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, transport and any services not recoverable as part of the levy fund.
- 9.2 The Directors shall establish and maintain two levy funds, to be known as the "A" levy fund and the "B" levy fund, respectively, and for this purpose they shall from time to time make levies upon -
- 9.2.1 The "A" members of the Company, for the maintenance, repair, upkeep, control, management and administration of the Chalet Property and the 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 and for which the individual "A" 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 Chalet, 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 for such portion of the costs of and incidental to the administration of the Company and the maintenance of its corporate existence, which are attributable to the existence of the "A" shares in its authorized or issued share capital from time to time, 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 "A" shares in its capital or the Use Agreements with the Company's "A" members, provided that the provisions hereof shall not be construed as entitling the Company to debit the "A" levy with any portion of the expenses which are solely attributable to the conduct on the Property of an Hotel business and which would not have been incurred had such timesharing scheme not been in operation.
- 9.2.2 The "B" members of the Company, all other costs of whatever nature incurred by the Company which are not recoverable from the "A" members and attributable to the "A" levy fund, in terms of 9.2.1
- 9.2(A) For the sake of clarity it is recorded that all costs of whatever nature relating to the improvements and facilities (other than the Chalets themselves) which are located on the Property at the date of signature hereof by the parties hereto, will be solely attributed to the "B" levy fund and such costs will be borne and paid by the "B" member, but the costs of and incidental to the maintenance, repair, upkeep, control, management and administration of any additional improvements on the Property after that date (other than Chalets and other improvements to the Chalet Property) will, if available for the common use of occupants of the Chalets and guests of the Hotel, be attributed both to the "A" levy fund, and will be apportioned between the "A" members and the "B" members of the Company, in the proportion thereof which the number of completed Chalets from time to time bears to the number of guest rooms available on the Hotel portion, to the extent to which such charges are not separately specified and recoverable in terms of the Management Agreement. 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 "A" and "B" levy funds 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.
- 9.3 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 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.
- 9.4 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 attributed to the "A" levy fund. Notwithstanding the foregoing, 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.
- 9.5 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 or are not recoverable pursuant to clauses 9.3 and such levies may be made payable in one sum or by such installments and at such time or times as the Directors shall think fit and shall not necessarily be applied directly in the ratio of mid and high season weeks as set out in this clause 9.
- 9.6 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.
- 9.7 For the purposes of establishing the weekly levy amount -
- 9.7.1 Week numbers shall be classified as follows -

Levy Class	Week numbers	Total
Standard	3 to 12, 16 to 25, 30 to 48	39
Peak	1 to 2, 13 to 15, 26 to 29, 49 to 52	13
		<u>52</u>

- 9.7.2 The levy amount payable by the Holder and the other Holders of the "A" 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.
- 9.7.3 The Directors shall be entitled to round the weekly levy amount to ease 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 Any amount due by the Holder by way of a levy or installment 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.

- 9.9 Should the Holder fall into arrear with any levy obligation or part thereof or liability in terms of clause 9.9.1 below, then without prejudice to any other rights the Company may have hereunder, the Holder -
- 9.9.1 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 Limitation and Disclosure of Finance Charges Act No. 73 of 1968 as amended, and
- 9.9.2 shall not be entitled to gain admission to or use the Premises for the Week until such time as he has paid all such arrears.
- 9.10 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. DAMAGE TO OR DESTRUCTION OF BUILDING

- 10.1 In the event of the majority in number of the Chalets being -
- 10.1.1 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;
- 10.1.2 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 building, this Agreement shall automatically continue in full force and effect in respect of the restored building 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 or the Premises 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.
- 10.2 The Holder shall have no claim against the Company for damages or compensation under of any of the circumstances set out in 10.1 or upon the exercise by the Company of any of its rights in terms 10.1 -
- 10.2.1 arising by reason of his loss of the right of use of the Premises, whether such right be lost permanently or temporarily;
- 10.2.2 arising by reason of the fact that the Company's Movable Property or 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);
- 10.2.3 arising out of any winding up consequent upon the destruction of the Property, save for claims expressly provided for in the Company's Articles of Association.
- 10.3 Nothing contained in clause 10.1 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 the 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.

11. CESSION OF RIGHTS

- 11.1 The Holder shall only be entitled to cede his rights herein -
- 11.1.1 to the Transferee of the Share Block to which this Use Agreement is linked and together with the allocated loan;
- 11.1.2 simultaneously and together with the transfer of the Share Block unless the Directors agree to defer the transfer of the Share Block.
- 11.1.3 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;
- 11.1.4 subject to the relevant provisions of the Articles of Association and to the Company's prior written consent;
- 11.2 Any such cession and assignment shall be in such form and upon such conditions as the Company may from time to time stipulate.

12. 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 -
- 12.1 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 -
- 12.1.1 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;
- 12.1.2 upon the request of the Directors or the Manager in the circumstances referred to in clauses 2.9, 4.1.4 or 9.9.2 above, or
- 12.2 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
- 12.3 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
- 12.4 should the Holder -
- 12.4.1 commit or permit the commission of any offence under or any contravention of any law which endangers or which may endanger the validity of any Hotel registration, Hotel grading or other licence of whatever nature relating to the Company, the business portion or any activities conducted on the Property;
- 12.4.2 cause any material damage to the Premises or any other part of the Property;
- 12.4.3 cause a nuisance to other occupiers of portions of the Property from time to time;
- 12.4.4 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 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
- 12.5 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 right to claim whatever moneys may be owed to it, and such damage as the Company may sustain by reason of the Holder's breach or default, including legal expenses of whatever nature; and
- 12.6 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 moneys payable by the hiring user in respect of his use thereof, and to deduct therefrom any moneys 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
- 12.7 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 of 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.

13. VARIATION OF AGREEMENT

- 13.1 Save as provided for in Clause 2.5 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.
- 13.2 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.
- 13.3 No variation of this agreement shall be of any force or effect unless -
- 13.3.1 the Liquor Board has consented thereto if, at the date of such amendment, a Hotel liquor licence has been issued in respect of the Property or if such amendment affects any liquor licence issued in respect of any portion of the Property; and
- 13.3.2 save as provided in clause 2.5 above and subject to clause 13.1, such variation is reduced to writing and signed by the Parties or their duly authorised Agents.
- 13.4 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.

14. 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 opinion, 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.

15. NOTICES

- 15.1 The following addresses are hereby selected as the respective domicilia citanda for all purposes under this Agreement in respect of the relevant parties -
- 15.1.1 the Company at 2nd Floor, Twin Towers East, Sandton City, Sandhurst 2146 (marked for the attention of the Managing Director) and a copy to the Developer at the address specified in clause 15.1.2 below marked for the attention of the Managing Director;
- 15.1.2 the Developer at 10 Beach Mews, 10 Lagoon Drive, Umhlanga Rocks 4320;
- 15.1.3 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 Property until such time as the Holder duly appoints an address pursuant to Clause 15.2 below.
- 15.2 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.
- 15.3 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.

16. DIVISIBILITY

The provisions of this Agreement -

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

17. SELLERS UNDERTAKING

In the event that the lease referred to in F3 (BB) is not extended prior to the expiration of the initial fixed term thereof by a period of not less than 10 years the Seller undertakes within a period of 30 days after the expiration of the initial term to refund to the Purchaser an amount equivalent to the capital sum of the purchase price recorded in Section B of the Agreement.

SIGNED FOR SABIE RIVER SHARE BLOCK LIMITED

A. BREARLEY
Authorised Signatory

SIGNED FOR SOUTHERN SUN TIMESHARING (PROPRIETARY) LIMITED

B.M. STOCKS
Authorised Signatory

Update to Notices 15

Sabie River Share Block Limited

Registration Number: 1963/003920/06

("the Company")

Registered Office
Palazzo Towers East
Montecasino Boulevard
Fourways, 2055

**SABIE RIVER HOTEL AND COUNTRY CLUB
AGREEMENT OF AMENDMENT TO USE AGREEMENT**

between:

SABIE RIVER SHARE BLOCK LIMITED
("the company")

And

THE REGISTERED HOLDERS FOR THE TIME BEING OF THE ISSUED "A" ORDINARY SHARES OF THE COMPANY COMPRISING THE SHARE BLOCKS IN THE COMPANY, WHOSE NAMES AND SHAREHOLDINGS ARE SET OUT IN THE SCHEDULE ANNEXURE "A" HERETO
("the "A" holders)

WHEREAS:

1. The Company, the Developer and the "A" Holders are parties to a Use Agreement as defined herein in respect of certain Chalets established on the Chalet Property of the Company as defined in such Use Agreement;
2. The Company has leased/is about to lease from Sabie Golf (Proprietary) Limited certain land adjoining the Company's Property which land it is intended be incorporated into the Company's Property timesharing scheme conducted on the Company's Property subject to the special provisions of such lease;
3. Southern Sun Timesharing is desirous of procuring the development of the additional property referred to in clause 2 hereof to Chalets and so as to extend the golf course presently existing on the Company's Property onto the additional property aforesaid;
4. Such developments will have the affect of increasing the Company's loan obligation;
5. In order to implement the intentions recorded herein it is necessary to amend the Use Agreement in the manner set out in these presents.

NOW THEREFORE IT IS AGREED AS FOLLOWS:

1. INTERPRETATION

- 1.1 All words and expressions used herein shall, save where the context otherwise requires, have the same meanings as are ascribed thereto in the Use Agreement.
- 1.2 The "Use Agreement" - the Use Agreement between the Company and the registered Holder for the time being of all the issued "A" ordinary shares of the Company comprising the Share Blocks in the Company, in respect of the Rights of Use for specified weeks of Chalets established on the Chalet Property of the Company, the rights of the Developer under which agreement have been ceded from time to time to and are held by the Holders in respect of their respective weeks as specified in the Company's Articles of Association.
- 1.3 The preamble hereto shall form an integral part of this Agreement.

2. CLAUSE 1.3 OF USE AGREEMENT

Clause 1.3 of the Use Agreement is hereby substituted by the following:

- 1.3 "The Property" -
 - 1.3.1 Portion 26 of the Farm Perry's Farm No. 9, Registration Division J.U. District White River, Administrative District of the Transvaal measuring 48,7428 (FORTY EIGHT comma SEVEN FOUR TWO EIGHT) hectares and held by the Company under Certificate of Consolidated Title No. T27191/87;
 - 1.3.2 Portion 27 (a portion of Portion 1) of the farm Perry's Farm No. 9, Registration Division J.U. District White River, Administrative District of the Transvaal measuring 4,0259 (FOUR comma NOUGHT TWO FIVE NINE) hectares held by the Company under Lease from Sabie Golf (Proprietary) Limited dated the 16th day of November 1990;
 - 1.3.3 Portion 31 of the farm Perry's Farm No. 9, Registration Division J.U. District White River, Administrative District of the Transvaal measuring 17,2968 (SEVENTEEN comma TWO NINE SIX EIGHT) hectares and held by the Company under Lease from Sabie Golf (Proprietary) Limited as referred to in clause 1.3.2 above; subject always to clause 1.6 (bis).

3. CLAUSE 1.6 OF USE AGREEMENT

Clause 1.6 of the Use Agreement is hereby substituted by the following:

- "1.6 "the hotel portion" - the whole of that portion of the Property described in clause 1.3.1 above, excluding the Chalet Property, it being recorded that the Holder of the "B" ordinary shares in the capital of the Company is entitled to the exclusive use and occupation of the hotel portion."

4. CLAUSE 1.6(bis) OF USE AGREEMENT

The following provisions shall be inserted as clause 1.6(bis) of the Use Agreement -

- "1.6 "the golf property" - the whole of that portion of the Property described in clauses 1.3.2 and 1.3.3 excluding the Chalet Property, it being recorded that the area is subject to variation and reduction from time to time pursuant to notices to be furnished to the Company by Sabie Golf (Proprietary) Limited in terms of the lease in respect of such properties with Sabie Golf (Proprietary) Limited."

5. CLAUSE 1.8 OF USE AGREEMENT

Clause 1.8 of the Use Agreement is hereby substituted by the following:

- "1.8 "common property" - all portions of the Property and all facilities located on the Property which, in respect of the hotel portion are ordinarily available for use by guests of the Hotel, but excluding guest rooms, and in respect of the golf property, those portions thereof which are available for use by Holders of Share Blocks in the capital of the Company and occupants of Chalets."

6. CLAUSE 1.10 OF USE AGREEMENT

Clause 1.10 of the Use Agreement is hereby amended by the insertion of the words "and "C" ordinary shares" after the words " "A" ordinary shares" in the first line of that definition.

7. CLAUSE 2.2 OF USE AGREEMENT

Clause 2.2 of the Use Agreement is hereby amended -

- 7.1 by the insertion in the opening words after " "A" members" of the words "and "C" members" and
- 7.2 by the insertion of the new clause 2.2.3 as follows:
 - "2.2.3 To the terms of the lease by the Company with Sabie Golf (Proprietary) Limited in respect of the golf property".

8. CLAUSE 5.2.3 OF USE AGREEMENT

Clause 5.2.3 of the Use Agreement is amended by the insertion of the words "and "C" class" after the words " "B" class".

9. CLAUSE 5.2.9 OF USE AGREEMENT

Clause 5.2.9 of the Use Agreement is hereby substituted by the following:

- "5.2.9 Control the general use of the Property including the chalets, by Holders for their mutual benefit and comfort and ensure whilst the Hotel business is conducted on the Hotel portion, that all time such business and operation is properly conducted."

10. CLAUSE 7.4.1 OF USE AGREEMENT

Clause 7.4.1 of the Use Agreement is amended by the insertion of the words "and "C" members" after the words " "A" members".

11. CLAUSE 7.6 OF USE AGREEMENT

The following provisions are substituted for clause 7.6 of the Use Agreement:

"7.6 Neither the Company nor the Holders of the "B" shares shall be responsible for, and the Holders indemnify the Company and the Holders of the "B" shares against any loss, damage or injury which the Holders or any person using the premises or the Common Property through or at the instance of the Holder, which the Holder or any other person may sustain in the premises or in or about the Company's Property or in or about the use of the Common Property by reason of any act whatsoever or neglect on the part of the Company or the Holders of the "B" shares, or the Company's servants or the servants of the "B" members, nor shall the Company or the "B" shares respectively 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, "B" members or by any other 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 of the reasons aforesaid or for any other reason whatsoever, to withhold any monies due to the Company".

12. CLAUSE 9 OF THE USE AGREEMENT

Clause 9 of the Use Agreement is hereby amended as follows:

12.1 by the substitution for the opening words of the following:

"9.2 The Directors shall establish and maintain three levy funds to be known as the "A" levy fund, the "B" levy fund and the "C" levy fund, respectively, and for this purpose they shall from time to time make levies upon -".

12.2 whereby clauses 9.2.1 and 9.2.2 are amended by the insertion of the words "and "C" " after the letter "A" wherever that latter letter appears;

12.3 substitute the following provisions for the final paragraph of clause 9.2 of the Use Agreement:

"For the sake of clarity it is recorded that all costs of whatever nature of and incidental to the maintenance, repair, upkeep, control, management and administration of any improvements on the Property will, if available for the common use of occupants of the Chalets and guests of the Hotel, be attributed to the "A" levy fund, the "B" levy fund and the "C" levy fund, and will be apportioned between the "A" and "C" members of the Company on the one hand and the "B" members of the Company on the other, in the proportion thereof which the number of completed Chalets on the Property from time to time bears to the number of guest rooms available on the Hotel portion, to the extent to which such charges are not separately specified and recoverable in terms of the Management Agreement. 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 clause 9.3 to allocate costs to the "A" , "B" and "C" levy funds 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."

12.4 whereby clause 9.4 is amended by the insertion of the expression "and "C" " after the letter "A" wherever it appears.

THUS DONE and SIGNED by the company at

this..... day of.....19

AS WITNESSES:

For: SABIE RIVER SHARE BLOCK LIMITED

1.

2.

Duly Authorised Representative

Thus Done and SIGNED by or on behalf of the Holders at the places and dates specified in accordance with the Schedule Annexure "A" hereto.

SABIE RIVER HOTEL AND COUNTRY CLUB

USE AGREEMENT

between

SABIE RIVER SHARE BLOCK LIMITED

and

SOUTHERN SUN TIMESHARING

(the joint venture as defined herein, as the registered Holder for the time being of all the issued "C" ordinary shares of the Company, comprising the Share Blocks as hereafter defined).

THIS AGREEMENT WITNESSETH

1. DEFINITIONS

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

- 1.1 "the Company" - Sabie River Share Block Limited;
- 1.2 "the Developer" - Southern Sun Timesharing, a joint venture between Southern Sun Hotel Corporation (Proprietary) Limited and The Highrise Homes Trust;
- 1.3 "the Property" -
 - 1.3.1 Portion 27 (a portion of Portion 1) of the farm Perry's Farm No. 9, Registration Division J.U., District White River, Transvaal, measuring 4,0259 (FOUR comma NOUGHT TWO FIVE NINE) hectares, held under the lease together with improvements thereon of a permanent nature;
 - 1.3.2 Portion 31 of the farm Perry's Farm No. 9, Registration Division J.U., District White River, Transvaal, measuring 17,2968 (SEVENTEEN comma TWO NINE SIX EIGHT) hectares, held under the lease, together with improvements thereon of a permanent nature;
- 1.4 "Sabie Golf" - Sabie Golf (Proprietary) Limited;
- 1.5 "the Lease" - the Agreement of Lease between the Company and Sabie Golf in terms of which the Company has leased the Property from Sabie Golf for inclusion within its property timeshare scheme and to be operated as such together with the Sabie River Property;
- 1.6 "the Chalet Property" - such portion of the Property upon which Chalets, as defined herein, or other improvements to the Property which exclusively serve the Chalets or the occupants thereof, are erected from time to time;
- 1.7 "a Chalet" - residential accommodation erected on the Property and the use and occupation whereof has been granted to the Holder of a Share Block;
- 1.8 "Premises" - a particular Chalet linked to the Share Block purchased by the Holder or of which the Holder is the registered Owner and to the use of which the Holder is entitled in terms of this Agreement;
- 1.9 "Sabie River Property" - Portion 26 of the farm Perry's Farm No. 9, Registration Division J.U., District White River, Transvaal, measuring 48,7428 (FORTY EIGHT comma SEVEN FOUR TWO EIGHT) hectares and held by the Company under certificate of Consolidated Title No.T27191/87;
- 1.10 "Common Property" - all portions of the Property and all facilities located on the Property which are not reserved for the exclusive use of any person and which are ordinarily available for use generally in common by the Holders of the Share Blocks in the capital of the Company and occupants of Chalets including all portions of the Sabie River Property and all facilities located thereon which are ordinarily available for use by guests of the Hotel, but excluding the guest rooms and by the Holders of the "A" class shares, subject however to the rights of the Holders of the "B" shares;
- 1.11 "the "A" Use Agreement" - the Use Agreement concluded between the Company and Southern Sun Timesharing Trust as the then registered Holder for the time being of all the issued "A" ordinary shares in the Company comprising the Share Blocks in the Company in respect of the Rights of Use for specified weeks of Chalets established on the Chalet Property forming portion of the Sabie River Property, the rights of Southern Sun Timesharing Trust under which Agreement have been ceded from time to time to and held by the Holders for the time being of the class "A" shares in the capital of the Company in respect of their respective weeks as specified in the Company's Articles of Association;
- 1.12 "the Share Block" - each of the Share Blocks comprised of the "C" ordinary shares in the Company and to which premises are linked for a week pursuant to this Agreement and the Articles of Association of the Company;
- 1.13 "Holder" - the Holder of a Share Block and includes a Purchaser thereof, whether under a suspensive or resolute 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;
- 1.14 "Movable Property" - the Movable Property specified in the schedule annexure "B1" hereto;
- 1.15 save as defined or otherwise specified in this Agreement or as the context of this Agreement may require, words and expressions used herein shall have the same meanings as are ascribed thereto in the "A" Use Agreement;
- 1.16 any words in this Agreement importing -
 - 1.16.1 any gender shall include the other genders;
 - 1.16.2 the singular shall include the plural and vice versa;
 - 1.16.3 persons shall include bodies corporate and vice versa;
- 1.17 headings of clauses shall be deemed to have been included for purposes of convenience only and shall not affect the interpretation of the Agreement;

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 subject to the provisions of this Agreement.
- 2.2 The Holder shall have the right during the Week to the use of the common Property in common with the other "C" members of the Company and guests of the Hotel, and the "A" members of the Company and occupants of Chalets on the Sabie River Property, subject-
 - 2.2.1 to the rights of the Manager under the Management Agreement and to the rights of the Holder of the "B" class shares or any person authorised by the Holder of the "B" class shares, to occupy any part of the Hotel portion;
 - 2.2.2 to such terms and conditions as may be imposed by the Directors from time to time;
 - 2.2.3 to the terms and conditions of the lease;

3. ERECTION OF OTHER IMPROVEMENTS ON THE CHALET PROPERTY

- 3.1 It is contemplated by the Parties that further Chalets or other improvements which will serve, (whether exclusively or otherwise) the Holders of the "C" ordinary shares in the Company's capital, will be erected on the Property from time to time, and that the area of the "Chalet Property" as defined in this Agreement will be adjusted accordingly from time to time.
- 3.2 It is further recorded that in terms of the Company's Articles of Association, the costs of such improvements are to be borne by the Developer, and that neither the Company nor the Holders of the "A" ordinary shares in the Company's capital, will be required to contribute any amounts in respect of such development.

4. LEVY FUND

- 4.1 The Holder shall pay any charges or expenses for any services made available to the 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, including the common property facilities, telephone calls, transport and any services not recoverable as part of the levy fund.
- 4.2 It is recorded that the Directors have established two levy funds, known as the "A" levy fund and the "B" levy fund respectively, which cater for all the costs and expenses of the Company in respect of the Sabie River Property in terms of clause 9 of the "A" Use Agreement, and that in respect of the Property the Directors shall establish a third levy fund to be known as the "C" levy fund and for this purpose they shall from time to time make levies upon -
- 4.2.1 The "C" members of the Company, for the maintenance, repair, upkeep, control, management and administration of the Chalet Property and the 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 and for which the individual "C" 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 Chalet, 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 for such portion of the costs of and incidental to the administration of the Company and the maintenance of its corporate existence, which are attributable to the existence of the "C" shares in its authorized or issued share capital from time to time, 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 "C" shares in its capital or the Use Agreements with the Company's "C" members.
- 4.2.2 The "B" members of the Company, all other costs of whatever nature incurred by the Company which are not recoverable from the "A" and "C" members and which are attributable to the "A" levy fund, and the "C" levy fund in terms of clause 9.2. of the "A" Use Agreement and clause 4.2.1 above.
- 4.2.3 It is recorded that all costs of whatever nature and which are of and incidental to the maintenance, repair, upkeep, control, management and administration of any improvements on the Sabie River Property (other than Chalets and other improvements to the Chalet Property included in the Sabie River Property) will if available for the common use of occupants of Chalets thereon and guests of the Hotel, be attributed both to the "A" levy fund, and the "C" levy fund together and the "B" levy fund, and will be apportioned between the "A" and "C" members and the "B" members of the Company in the proportion thereof which the number of completed Chalets both on the Sabie River Property and the Property from time to time bears to the number of guest rooms available on the Hotel portion, to the extent to such charges are not separately specified and recoverable in terms of the Management Agreement. As and when any Chalets both on the Sabie River Property and on the Property 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 4.3, to allocate to the "A" and "C" and "B" levy funds 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.
- 4.3 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 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, the maintenance or upkeep or renovation of or improvements to the common Property facilities, or to meet any obligation of the Company in connection with any of the foregoing.
- 4.4 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 attributed to the "C" levy fund. Notwithstanding the foregoing, 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.
- 4.5 Notwithstanding anything to the contrary in this Use Agreement contained, the obligation of a Holder to pay any levy owing, shall only commence in respect of the Share Block pertaining to the Premises once the Premises have been certified by the Company's architect to be complete and ready for occupation by the Holder, and the Developer has commenced the marketing of any Share Blocks relative to such Premises in respect of any period in relation thereto.
- 4.6 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 4.2 or are not recoverable pursuant to clauses 4.3 and such levies may be made payable in one sum or by such installments and at such time or times as the Directors shall think fit and shall not necessarily be applied directly in the ratio of mid and high season weeks as set out in this clause 4.
- 4.7 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.
- 4.8 For purposes of establishing the weekly levy amount in respect of the "C" levy fund -
- 4.8.1 Week numbers shall be classified as follows -

Levy Class	Week numbers	Total
Standard	3 to 12, 16 to 25, 30 to 48	39
Peak	1 to 2, 13 to 15, 26 to 29, 49 to 52	13
		<u>52</u>

- 4.8.2 The levy amount payable by the Holder and the other Holders of the "C" 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.
- 4.8.3 Subject to 4.8.2 the standard weekly levy amount shall be determined by dividing the estimated levy amount referred to in 4.3 by the total number of completed chalets multiplied by 51 weeks, which standard levy may be increased in amount to a peak levy as provided in 4.8.2 and 4.8.5.
- 4.8.4 The Directors shall be entitled to round the weekly levy amount to ease calculation and administration thereof. In any year in which there is a 53rd Friday or Saturday 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.
- 4.8.5 Notwithstanding the foregoing, the Directors in their sole discretion shall be entitled from time to time to re-classify 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 re-classification. There shall not be more than 13 peak weeks.
- 4.9 Any amount due by the Holder by way of a levy or installment 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 unlawful 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.
- 4.10 Should the Holder fall into arrear with any levy obligation or part thereof or liability in terms of clause 4.10.1 below, then without prejudice to any other rights the Company may have hereunder, the Holder -
- 4.10.1 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 Limitation and Usury Act No. 73 of 1968 as amended, and
- 4.10.2 Notwithstanding anything to the contrary elsewhere in this Agreement contained, 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 as determined by the company.
- 4.11 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 4.4 above.

5. "A" USE AGREEMENT

Save as provided for herein the relationship between the Company and the Holder shall be governed by and in accordance with the terms and conditions recorder in the "A" Use Agreement which shall apply hereto mutatis mutandis as if specifically recorded herein save that all references in the "A" Use Agreement to -

- 5.1 The Property shall be deemed to be a reference to the Property defined herein terms of clause 1.3, and
- 5.2 The "A" members or "A" shares, shall be a reference to the "C" members and "C" shares.

6. DIVISIBILITY

The provisions of this Agreement -

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

SIGNED FOR SABIE RIVER
SHARE BLOCK LIMITED

.....
Authorised signatory

SIGNED FOR SOUTHERN
SUN TIMESHARING
JOINT VENTURE

.....
Authorised signatory

SCHEDULE OF MOVABLE PROPERTY

KITCHEN EQUIPMENT

Crockery & Glassware

6 Bowls: Dessert/Soup
 1 Coffee Pot
 6 Cups and Saucers
 6 Egg Cups
 1 Fruit Bowl
 Glasses:
 6 Large
 6 Small
 6 Wine
 1 Milk Jug
 Plates:
 6 Dinner
 6 Fish
 6 Side
 1 Sugar Bowl
 1 Tea Pot
 1 Water Jug

Cutlery

1 Carving Set
 Forks:
 6 Large
 6 Small
 Knives:
 6 Large
 6 Small
 1 Salad Server Set
 Spoons:
 6 Dessert
 6 Soup
 6 Teaspoons

Kitchen Equipment

Refrigerator
 Kettle
 Stove
 Toaster

Miscellaneous

1 Bread Bin
 1 Bread Board
 1 Brush and Pan Set
 1 Drying Rack
 1 Dustbin
 1 Egg Beater
 1 Ice Bucket
 1 Toast Rack

Pots, Pans & Servers

1 Butter Dish
 1 Colander
 1 Frying Pan
 1 Roasting Pan
 2 Saucepans
 1 Serving Platter
 1 Salt and Pepper Set
 1 Three Division Vegetable Server

Kitchen Utensils

1 Bread Knife
 1 Can Opener
 1 Cork Screw
 1 Grater
 1 Kitchen Set
 1 Vegetable Peeler
 1 Vegetable Knife
 1 Wooden Spoon
 1 Braai Set
 1 Vegetable Rack

FURNISHINGS

Bedrooms

6 Beds
 2 Bedside Lamps
 2 Headboards
 2 Radios
 4 Pedestals

Dining Room

6 Dining Chairs
 1 Dining Table
 1 Mirror
 1 Picture
 1 Sideboard

Lounge

2 Settees
 1 Side Table
 2 Easy Chairs
 1 Television
 1 Picture
 1 Coffee Table

Patio

1 Dining Table
 6 Chairs
 2 Chaise Longues