



# **UMZUMBE CHALETS**

**SHARE BLOCK LTD**

UM \_\_\_\_\_

## **MEMORANDUM OF AGREEMENT ENTERED INTO BETWEEN**

HEREAFTER REFERRED TO AS THE SELLER

AND

HEREAFTER REFERRED TO AS THE PURCHASER  
OF

POSTAL ADDRESS

PHYSICAL ADDRESS

IDENTITY NUMBER

TELEPHONE NUMBERS (HOME AND WORK)

# THE PARTIES AGREE AS FOLLOWS:

## 1. DEFINITIONS

In this Agreement, unless inconsistent with or otherwise indicated by context, the following terms shall have the meanings assigned to them as follows:

- 1.1. "The **Seller**" means \_\_\_\_\_
- 1.2. "The **Purchaser**" means \_\_\_\_\_
- 1.3. "The **Company**" means UMZUMBE CHALETS SHARE BLOCK LIMITED.
- 1.4. "The **Share Block**" means SHARE BLOCK NUMBER \_\_\_\_\_ consisting of 1share(s) of R1, 00 each in the capital of the Company which entitles the holder to occupy the Unit in perpetuity for the Period.
- 1.5. "The **Property**" means the Property registered in the name of the Company and known as SUB 8 (OF SUB 7) LOT 11, UMZUMBE, country of KWAZULU, NATAL, measuring 5, 6047 hectare.
- 1.6. "The **Period**" means that Period as shown attaching to the Share Block in terms of the Articles of Association of the Company and shall commence at 14h00 on the first date(s) being:

\_\_\_\_\_  
(1<sup>ST</sup> DAY OF THE SHARE BLOCK WEEK)

referred to in the said Articles of Association and will end at 10h00 on the last date(s) being:

\_\_\_\_\_  
(LAST DAY OF THE SHARE BLOCK WEEK)

referred to in the said Articles.

- 1.7. "The **Unit** means CHALET NUMBER : \_\_\_\_\_ on the property UMZUMBE, district KWAZULU NATAL.
- 1.8. "The **Movable Property**" means the furniture and equipment in the unit.
- 1.9. "The **Act**" means the Share Blocks Control Act No. 59 of 1980 and any other regulations promulgated thereunder.
- 1.10. "The **Use Agreement**" means the Use Agreement entered into between the Company and the Seller, a copy of which is attached hereto marked "A".

## 2. SALE

The Seller hereby sells to the Purchaser who hereby purchases SHARE BLOCK NO. \_\_\_\_\_

- 2.1. The Share Block(s) which entitles the Purchaser to occupy the Unit in perpetuity for the Period; and

## 3. EFFECTIVE DATE

Irrespective of the date of signature hereof or the date on which the share or shares have been transferred to the Purchaser, the effective date of the Purchaser's acquisition of the share(s) shall be **01/07/2009** from which date the Purchaser shall have sole right to the exclusive use, occupation and enjoyment of the Unit for the Period, subject to the provisions of the Use Agreement herein referred to.

## 4. PURCHASE PRICE

- 4.1 The purchase price payable to the seller according to 4 above is payable upon signing of the agreement.
- 4.2 The total amount payable by the Purchaser for the Umzumbe Share Block is: R \_\_\_\_\_ ( \_\_\_\_\_ ) ("the Purchase Price") which is exempted from VAT in terms of Section 2 of Act No. 89 of 1991.

## 5. TRANSFER OF SHARES

Registration of transfer of shares in the Share Block in the name of the Purchaser shall be done by the Company's transfer secretaries when the purchase price has been paid. The Purchaser shall be responsible for and shall pay on request all costs thereof together with transfer costs, including any stamp duty, and shall make payment and sign all necessary documents on request.

## 6. SECURITY

As security for the balance owing by the Purchaser to the Seller in terms hereof, the Purchaser hereby pledges the Share Block to the Seller and cedes to the Seller his right, title and interest in the Use Agreement which the Purchaser is acquiring in terms hereof. In order to perfect, the pledge the Seller shall retain in its possession, until payment of the full Purchase Price and interest thereon, the certificate (in negotiable form) relating to the share in Share Block, the Use Agreement, and the Seller shall be entitled to be registered (as nominee for the Purchaser) in respect of such share in the register of the Company. The Purchaser further undertakes that if the Seller becomes entitled to claim repossession of the Share Block the Purchaser shall be deemed to have ceded to the Seller the Purchaser's rights in terms of the Use Agreement to occupy the unit for the Period.

## 7. LEVY

The Purchaser records that he is aware of the provisions of the Use Agreement in respect of the Unit with regard to the levy which will be assessed by the Directors of the Company in order to cover the costs and expenses referred to therein, and the Purchaser undertakes to pay such levies with effect from the effective date as may from time to time be imposed by the Directors of the Company as and when called upon so to do, pursuant to the relevant provisions of the Use Agreement. As at date hereof the annual levy is **R 1,850.00 ( One Eight Five Zero Rands only) for the year 2009/2010.**

## 8. FURNITURE AND EQUIPMENT

The parties record that the Moveable Property in the Unit is and shall remain the property of the Company and that the Purchaser shall be entitled to the exclusive use thereof during the Period. The Purchaser accepts that his right to use of the Moveable Property is limited to the Period and that he shall not be entitled to remove any of the Moveable Property from the Unit. The Purchaser shall be obliged to exercise reasonable care to ensure that the movables are maintained in good order and repair. In the event of it being established by the Manager appointed by the Company, in his sole discretion, at the end of the Purchaser's occupation Period, that any movables have been damaged or removed, the Purchaser shall, upon request, be liable to pay the costs of replacement of, or repair of any particular item, which amount shall be payable in addition to the levy referred to in 8. Above, fair wear and tear accepted.

## 9. VOETSTOOTS

The Share Block is sold voetstoots subject to all rights and obligations created in terms of the Use Agreement and Management rules which may be formulated by the Company from time to time and which shall be binding on all occupants.

## 10. BREACH

In the event of the Purchaser committing a breach of any terms of this Agreement and remaining in default for a period of 7 (seven) days after the date of posting to the Purchaser by registered post of a letter calling upon him to remedy such breach, then, in addition to and without prejudice to any other rights which the Seller may have at law, or in terms of this Agreement, the Seller shall be entitled either:

- 10.1. to enforce the relevant provisions of this Agreement and to declare the whole balance of the Purchase Price owed by the Purchaser to the Seller in terms of this Agreement, inclusive of interest to the date of payment, to be at once due, owing and payable; or
- 10.2. to cancel this agreement, eject the Purchaser from the premises and to hold the shares in the Seller's own name and no longer as nominee of the Purchaser, to cede the Use Agreement back into the name of the Seller or his nominee, in which event the Seller shall be entitled to retain as agreed and as liquidated damages all payments already made by the Purchaser to the Seller under this Agreement.
- 10.3. the Purchaser agrees to a credit check.

In the event of it becoming necessary for the Seller to take any action against the Purchaser as contemplated herein, the Purchaser agrees to pay to the Seller all the costs and expenses incurred by the Seller as between attorney and own client and, in the event of this agreement being cancelled by the Seller, the Purchaser hereby nominates and appoints the Seller irrevocably and in rem suam as his duly authorized attorney and agent and on behalf of the Purchaser to take all steps that may be necessary or requisite duly to sell, realize, cede or otherwise deal with the shares, Use Agreement and on behalf of the Purchaser to sign whatever documents that may be necessary or requisite to effect transfer of the shares, the Use Agreement as the Seller may deem necessary.

## 11. ENTIRE CONTRACT

This Agreement inclusive of annexure "A" hereto and the documents annexed thereto constitute the entire Contract between the Purchaser and the Seller and any Acts, representations, announcements, statements, warranties, guarantees or conditions not recorded herein shall be of no force or effect whatsoever. Any agreement between the Purchaser and the Seller to cancel, alter or add to this Agreement shall be of no force or effect unless reduced to writing and signed by the parties.

**12. INDULGENCES**

Any indulgence shown, extension given or right waived shall in no way operate as an estoppel against the Seller nor in any way limit his rights hereunder or modify or alter the same and the Seller shall be entitled at any time to exercise his rights hereunder as though no indulgence was shown, extension given or right waived.

**13. COPY OF CONTRACT**

The Seller shall as soon as possible after signature of this Agreement transmit by post a copy thereof, together with its annexures and a copy of the Use Agreement and the cession thereof, in respect of the Unit and the Period.

**14. NOTICES**

14.1. The Seller and the Company hereby nominates as domicilium citandi et executandi for all purposes under this Agreement at: Umzumbe Chalets Share Block Limited, Station Road, Umzumbe. The Purchaser hereby nominates as citandi et executandi for all purposes under this Agreement at: (not a post office box):

\_\_\_\_\_  
\_\_\_\_\_  
(Full physical address)

- 14.2. The parties may by written notice to each other change its aforesaid domicilium citandi et executandi.
- 14.3. All notices delivered or sent by prepaid registered post by either 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 as the case may be.

SIGNED at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 2009.

**AS WITNESSES**

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

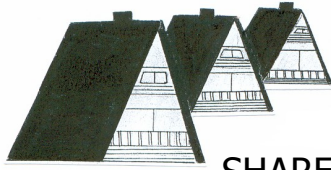
\_\_\_\_\_  
**SELLER**

SIGNED at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 2009.

**AS WITNESSES**

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

\_\_\_\_\_  
**PURCHASER**



# UMZUMBE CHALETS

SHARE BLOCK LTD

UM \_\_\_\_\_

## MEMORANDUM OF AGREEMENT ENTERED INTO BETWEEN

HEREAFTER REFERRED TO AS THE SELLER

AND

HEREAFTER REFERRED TO AS THE PURCHASER

As the registered holder for the time being of the share blocks as hereafter defined in the company and also for each successive holder or purchaser whether under a suspensive condition as to the passing of ownership or otherwise from time to time of the share block.

### IT IS HEREBY AGREED BETWEEN THE PARTIES AS FOLLOWS:

#### 1. DEFINITIONS:

For the purposes of this agreement unless the context otherwise requires:

- 1.1. "the company" means UMZUMBE CHALETS SHARE BLOCK LIMITED;
- 1.2. "the member" means the holder of a share block;
- 1.3. "the share block" means all share blocks in the capital of the company, which entitles the holder to occupy a chalet for the period stipulated in the articles of association of the company;
- 1.4. "the property" means the property registered in the name of the company namely: SUB 8 (OF SUB 7) OF LOT 11, UMZUMBE, KWAZULU NATAL, MEASURING R,6047 hectares on which is erected 56 chalets;
- 1.5. "the period" shall mean the period as shown attaching to a share block in terms of the articles of association of the company and shall commence at 14h00 on the first date referred to in the said articles of association and will end at 10h00 on the last date referred to therein;
- 1.6. "the chalet" means the chalet on the property which is linked to a share block;
- 1.7. "the Act" means the Share Blocks Control Act 1980 and the regulations promulgated thereunder;
- 1.8. "the member" , means the holder of a share block;
- 1.9. the words and expressions utilized in this agreement shall have the meanings ascribed to them as set out in the Act as well as the Sectional Titles Act of 1971, as the case may be.

## 2. RIGHT OF OCCUPATION

- 2.1. The member shall have the sole right in perpetuity to the exclusive use, occupation and enjoyment of the chalet appertaining to his share block for the period free from the payment of any rental thereof.
- 2.2. The member shall have the right to the use and enjoyment in common with the other members of the company and occupants of the remainder of the property or such portions of the property as are not reserved for the exclusive use of any person, subject however, to such terms and conditions as may be imposed by the directors of the company from time to time.
- 2.3. The rights of the member hereunder shall endure for the period 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.

## 3. USE

- 3.1. The chalets shall be used by the member for residential purposes only and for no other purpose whatever. The chalet shall be used and occupied personally by the member and by members of his family or his invitees, provided that in any event the number of occupants of the chalet shall not exceed 6 (SIX) adult persons at any time. In the event of the rights of use herein being held by a company or other body corporate, the chalet shall be occupied by such person who may be nominated from time to time by the said company or body corporate, which occupation shall be subject to the prior approval of the directors of the company, which approval shall not be unreasonably withheld.
- 3.2. Insofar as concerns parking areas, such areas shall only be used for the parking of a motor vehicle or, with the prior approval of the directors of the company, a boat, trailer or caravan. The aforesaid approval of the directors of the company shall be in writing and be applicable to a specific boat, trailer or caravan, and no other boat, trailer or caravan may be parked in the parking area. The company may provide accommodation for servants on such terms and conditions (including the payment of a fee) as may be prescribed by the company from time to time.
- 3.3. No animals or pets (other than birds in cages) shall be kept and harbored in or at the chalet, unless permission in writing had been obtained by the company in respect of a specific animal or pet which permission may be withdrawn by the company at any time.
- 3.4. The company shall not incur any liability whatsoever for any interruption or failure of the electrical and/or water services that may be supplied and/or any other service to the property irrespective of the cause thereof, nor for any consequential damages the member may suffer by reason of such failure or interruption.

## 4. LETTING

The member may let or part with occupation of the chalet for the period provided.

- 4.1. that no such letting and/or parting with occupation shall in any way release the member from any of his obligations to the company hereunder;
- 4.2. that as a condition precedent to any such letting and/or parting with occupation, the member shall secure from the lessee or the person to whom occupation is given as the case may be, an undertaking in favour of the company that such lessee or person shall duly observe all the regulations and conditions as are contained herein and which may be reasonably considered as being applicable to the lessee or person. Such undertaking shall be in such terms as the directors of the company shall from time to time require and shall be lodged in writing with the company prior to such lessee or person being given occupation of the said chalet.

## 5. MAINTENANCE

- 5.1. The company shall at all times, at its own expense and at its entire discretion, maintain the entire interior of the chalet including without limitation all electrical wiring and fittings, plumbing installations and apparatus and all fittings whatever, as well as maintain the movable property contained in the chalet in a good and sound order and repair and shall be responsible for all maintenance, repairs and replacements of whatsoever nature, including all repairs and if necessary, replacements, the clearing of any blockages of drains, sewers, plumbing and sanitary equipment and connections and all repairs and renovations to the chalet of whatsoever nature, the member having no liability therefore.
- 5.2. Notwithstanding the provisions of clause 7.1 above, the member shall be obliged to keep the chalet in a clean and tidy condition and use the contents of the chalet in such manner as will ensure preservation of all furniture and other movables in the best possible condition.
- 5.3. The member may make no improvements to the interior of the chalet nor structural alterations or additions or tamper with or make alterations to the water pipes, electrical conduits or plumbing.
- 5.3. The member shall have to claim against the company if any of the keys, locks, windows, fixtures or fittings or any installations or movables in the chalet are missing or are in a defective state, it being agreed that the member acquires

the use and occupation of the chalet and the contents for the period on a voetstoots basis and in the condition in which it presently stands or will stand when the member takes occupation. The company shall, however, take all reasonable steps to remedy any defect.

- 5.4. A member shall not remove from the chalet any of the movables belonging to the company or fixtures and fittings.

## 6. LEVY FUND

- 6.1. The directors of the company shall establish and maintain a levy fund to which end they shall from time to time make levies upon members of the company in such amounts as are in their opinion sufficient for the repair, upkeep, control, management and administration of the company and of those portions of the property for which individual members are not personally liable for the payment of rates, taxes and any other local authority charges on the property, any charges for the supply of electric current, gas water, fuel, sanitary and other services to the property for which the individual members are not personally liable, for any services required by the company, and the covering of any losses suffered by the company, the payment of any premiums of insurance and for the discharge of any other obligation of the company.
- 6.2. 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 movables or any part thereof.
- 6.3. Each such levy which shall be calculated on a monthly basis shall be made payable by annual instalments due in advance on the first day of July in each and every year.
- 6.4. 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 mentioned in 10.1 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.
- 6.5. Notices shall be given in respect of levies payable by members of the company and such notices shall be subject to the provisions relating to notices in the articles or association.
- 6.6. Each levy which is made by the directors pursuant to these provisions shall be made upon members of the company in the proportion to which the number of shares held by each member bears to the total number of the issued shares in the share capital of the company.
- 6.7. Any amount due by the member by way of a levy or installment of a levy shall be a debt owed by the member to the company and shall be recoverable by the company. The obligation of a member to pay a levy shall cease upon the lawful termination of the member's right of use, save that any arrear levies to the date of such termination shall nevertheless be recoverable from the member. No levies and no part of any levy paid by a member shall be refundable by the company on the termination of a member's right of occupation.
- 6.8. Should the member be in arrear with any levy obligation, he shall not be entitled to occupy or let/rent the chalet for the period until such time as he has paid all his arrears.

## 7. LIEN OF SHARES

- 7.1. Save as is provided in 9.6 the company shall have a first lien on every share for all amounts owed to it, including the costs of any proceedings instituted by the company, and whether the period for the payment thereof shall have actually arrived or not.
- 7.2. For the purpose of enforcing such lien the directors may, with the consent of any pledge seller referred to in 9.6, sell the shares subject thereto at such time or times and in such manner and upon such terms and conditions as they may think fit, but subject always to the prior rights of the pledge seller referred to in 11.6 and to the provisions as to the approval of the purchaser set out in the articles of association in relation to the transferee. No sales shall be made in terms of this clause unless some sum is presently payable and remains unpaid, notwithstanding 14 days notice in writing to the member stating the amount of and demanding payment of such sum, and stating the director's intention to sell, if payment has not been made within the said period of 7 days.

Notwithstanding the above, should any share be subject to a pledge in respect of which the company has received prior written notice, the said share shall not be sold by the company unless the directors have given the pledgee, 7 days written notice of the default of the member, notifying the pledge that the shares will be sold free of the pledge if payment of the amount owed by the member to the company is not made within the said period of 7 days.

- 7.3. The net proceeds of any such sale/s shall be applied in or towards the satisfaction of the amount owed to any pledgee seller who may have consented to the sale and thereafter of the amount owed to the company, and the balance, if any will be subject to any other rights of aforementioned pledgee, be paid to the member, who shall remain responsible for any deficiency.
- 7.4. Upon any such sale as aforesaid, the directors may enter the purchaser's name in the register of members of the company and the purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in relation to the sale.
- 7.5. Save as is hereinafter provided, an affidavit by the director or of the secretary of the company that the share has been duly sold in accordance with the preceding clause, shall be prima facie evidence of the facts therein stated, as against all persons claiming to be entitled to such share, or its proceeds, and such affidavit and a receipt of the company for the purchase price of the share, shall constitute a good title to such shares, and the validity of the sale may not be impeached by any person.
- 7.6. Notwithstanding anything to the contrary herein contained, the rights of the company recorded in this clause, shall be subordinated from time to time to the rights held by any seller of any shares in the company under pledge from the purchaser thereof.

## 8. CESSION OF RIGHTS

The member shall only be entitled to cede his right, title and interest in and to this agreement if he sells his shares in the manner provided by and subject to the articles of association of the company and the terms of this agreement, and thereby confers upon the person the right to occupy the said chalet, provided however that in the case of a purchaser who has purchased the shares on suspensive conditions and has not yet taken transfer of those shares, the purchaser shall be required to obtain the prior written consent of the seller to the sale of those shares and the cession of his rights herein. Before transfer is effected into the name of the transferee, the company shall require satisfactory proof that the member has ceded his right, title and interest in and to this agreement to the transferee and that the transferee has duly assumed all the transferor's obligations to the company, and that the whole of the transferor's right, and title with the company has simultaneously been ceded to the transferee.

## 9. RIGHTS AND OBLIGATIONS OF THE COMPANY

- 9.1. It shall be the duty of the company at its own expense
- (a) to maintain the exterior portion of the chalets on the property in good repair and from time to time and as and when necessary to renovate and to repair the same;
  - (b) to maintain in good order and repair and in clean condition all such portions of the property which are not reserved for the exclusive use of members;
  - (c) to affect such insurances over and in respect of the property against damage 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.
- 9.2. The company shall at all times, through its servants be entitled to inspect the chalet occupied by the member, and if dissatisfied with the condition thereof or its contents, it may call upon the member forthwith to remedy such defective conditions. Should the member fail to remedy the defect, the company shall be entitled forthwith and without prejudice to any other rights it may have, to put the same into good order and condition, at the expense of the member, and to recover from the member any expenditure thereby incurred.
- 9.3. The company's duly authorized workmen shall be permitted to enter any chalet in the said property 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 and to effect repairs thereto, or to any part of the said property. If the member shall not be personally present to open the chalet, at any time when and for any reason entry shall be necessary or permissible, and then the secretary or the manager or supervisor or any other duly authorized agent of the company shall be entitled to enter the chalet without being liable to any claim or cause of action for damages by reason thereof.
- 13.4 The company shall not be reasonable for any loss, damage or injury which the member or any person occupying the chalet through or at the instance of the member, may sustain in the chalet 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 any loss, damage or injury of any description which the member or any such other person may sustain by reason of the property or chalet 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 other occupant thereof, or by reason of such repairs, renovations and maintenance work not being effected timeously or at all and the member shall not be entitled for any of the reasons aforesaid, or for any other reason whatsoever, to withhold any monies due to the company.

## 10. BREACH

This agreement shall only remain in full force and effect and only for the period and for so long as the member is the holder or beneficial owner of a share block or remains entitled to the transfer thereof, provided that:

- 10.1. should the member commit any breach of the provisions of this agreement or of the concurrent agreement of sale in terms of which the member acquired the share block or of any of the management regulations made in terms of clause 13 below, which is capable of being remedied, and should the member fail to remedy such breach within 7 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
- 10.2. in the event of the member committing or suffering the commission of any breach of the terms or conditions of this agreement or of the management regulations which breach is of such a nature or occurrence that cannot practicably be remedied subsequent upon the giving of a period of notice as aforesaid, at any time within a period of six months after due notice in writing has been given to the member requiring the member to desist from and/or not to repeat or suffer the repetition of the breach complained of then the member shall not be entitled to occupy the chalet until he has remedied such breach and then 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
- (a) to obtain repossession of the said chalet and for that purpose to take whatever action may be necessary for the immediate ejection of the member or occupier from the said chalet, without prejudice to the company's rights to claim whatever monies may be owed to it and such damage as the company may sustain by reason of the member's breach or default, included legal expenses of whatever nature; and
  - (b) without prejudice to the company's right to sell the said share block at any stage, but subject always to the prior rights of any pledgee seller of the share block from whom the member acquired such share block, the company shall have the right as agent for and on behalf of the member and as a procurator in rem suam to let the said unit and to collect all rents and monies payable by the tenant in respect of his occupation thereof, and to deduct there from any monies whatsoever as may be owed to the company and
  - (c) without prejudice to any other rights, but subject to the rights of the pledgee seller and with his consent to sell the said share block. The proceeds received by the company from its said sale shall be applied, firstly in reduction of any indebtedness of the member to the person from whom the member acquired the share block, and thereafter to the company, whilst any surplus shall be paid over to the member who shall nevertheless remain responsible for any deficiency.
  - (d) In the event of the company choosing to cancel this use agreement and to sell the share block of the member, it is hereby agreed that any Director at the time of the Company shall have the right to sign a Securities Transfer Form (Form CM42) and any other document needed on behalf of the member to affect the transfer of the share block of the said member.

## 11. MANAGEMENT REGULATIONS

The member agrees that the company's directors, insofar as it shall not be contrary to the provisions of this agreement shall be entitled at all times to lay down such terms and conditions of occupation and use both in respect of the chalet and the property generally, including those relating to the use of radios, television sets and aerials, air-conditioning machines and such other electrical appliances and apparatus, blinds and awnings and such other matters as the directors may deem fit, for the convenience and comfort and general wellbeing of all the occupants of the property and the appearance and management of the affairs of the company and property, and from time to time to vary, alter and amend same. In the event of there being any conflict between the management regulations and this agreement, the provisions of this agreement shall prevail.

## 12. DAMAGE TO PROPERTY

Should the property and/or the chalet be destroyed by fire, storm, earthquake or any other cause, the company agrees that it will, as soon as practicable, repair and rebuild the same. The member shall have no claim against the company be reason of the chalet being unfit for occupation or for any other reason whatever. The company, however, reserves the right to change or vary the form of construction of the property or the chalet on such rebuilding and repairing. In the event of any damage to the property, whether by fire, accident or otherwise, which renders valueless or substantially reduces the value of any right of occupation of the member, it shall be the duty of the company to make good such damage as soon as is reasonably possible. There shall, however, be no obligation on the company to compensate the member for any loss or damage he may have sustained as a result of the loss of occupation or use resulting from such damage to the property or the chalet. Notwithstanding the above, 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.

**13. VARIATION OF AGREEMENT**

- 13.1. The company will not permit any amendment, addition or alteration of any use agreement, pertaining to any chalet in the property, for any period without the prior consent of not less than 75% in number of the members of the company for the time being present at a meeting held for such purpose.
- 13.2. No latitude, relaxation or indulgence or extension of time which may be given to the member in respect of any matter or thing which the member is bound to perform or observe in terms hereof shall under any circumstances be deemed to be 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. In the event of any provision of this agreement conflicting with the Act, the provisions of the Act shall prevail.

**14. CESSION OF RIGHTS**

The member shall only be entitled to cede his right, title and interest in and to this agreement, provided always that he sells his shares in the manner provided by and subject to the articles of association of the company and the terms of this agreement and thereby confers upon such person a right to occupy the chalet, provided however that, in the case or a purchaser who has purchased the shares on suspensive conditions and has not yet taken transfer of those shares, the purchaser shall be required to obtain the prior written consent of the seller to the sale of those shares and cession of his rights herein. Before transfer is affected into the name of the transferee, the company shall require satisfactory proof that the member has ceded his right, title and interest in and to this agreement to the transferee, and that the transferee has duly assumed all the transferor's obligations to the company.

**15. JURISDICTION**

In the event of it being necessary for the company to take any legal proceedings against the member hereunder the company shall, at its option, be entitled to take such legal proceedings to the Supreme Court or the Magistrate's Court having jurisdiction in respect of the member'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 member shall be liable for all attorney and own client costs and any collection charges incurred by the company.

**16. AMMENDMENTS**

No variation of this agreement shall be of any force or effect unless reduced to writing and signed by the parties or their duly authorized agents.

**17. NOTICES**

- 17.1. The company hereby chooses domicillium citandi et executandi for all purposes under the agreement at Umzumbe Chalets share block Limited, Station Road, Umzumbe.
- 17.2. The member hereby chooses domicillium citandi et executandi for all purposes under this agreement at (not a post office box):

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(Full physical address)

- 17.3. Either party may by written notice to the other party change its aforesaid domicilium citandi et executandi.
- 17.4. All notices delivered or sent by prepaid registered post by either party to the other shall be deemed to have received at the time of delivery or on the fourth business day following the date of posting as the case may be.

SIGNED at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 2009.

AS WITNESSES

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

\_\_\_\_\_  
FOR UMZUMBE CHALETS

SIGNED at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 2009.

AS WITNESSES

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

\_\_\_\_\_  
PURCHASER