

RULES

of

THE SUN VACATION CLUB

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ANNEXURES

ANNEXURE "A" : PLAN OF BUILDINGS SHOWING THE ACCOMMODATION

This document records the Rules of the Sun Vacation Club time-share Scheme established by Sun International (South Africa) Limited in respect of certain Accommodation situated on the Property, as defined below, and the Constitution of the Management Association in respect of such Scheme.

1 INTERPRETATION

1.1 In these Rules, unless the context indicates a contrary intention, the following words and expressions bear the meanings assigned to them and cognate expressions bear corresponding meanings –

1.1.1 "**Accommodation**" means residential accommodation at Sun City sufficient to satisfy the number of Modules to the use of which Members are entitled and comprising –

1.1.1.1 184 (one hundred and eighty four) two bedroom Apartments in Sun City Phase 1;

1.1.1.2 50 (fifty) three bedroom Apartments in Sun City Phase 1; and

1.1.1.3 148 (one hundred and forty eight) 2 (two) bedroom Apartments in Sun City Phase 2 situated on the Property, known as Sun City Phase 2 and as shown and described more fully on the plans annexed hereto as **Annexure "A"**,

situated in the improvements erected on the Property, as shown and described more fully on the plans annexed hereto as Annexure "A";

1.1.2 "**Act**" means the Property Time-Sharing Control Act, No 75 of 1983, as amended from time to time, and the regulations promulgated thereunder from time to time;

1.1.3 "**Apartment**" means one of the apartments referred to in clauses 1.1.1.1, 1.1.1.2 and 1.1.1.3;

1.1.4 "**Asset Replacement Costs**" has the meaning attributed thereto in clause 6.2.1.2;

1.1.5 "**Conduct Rules**" means the conduct rules referred to in clause 6.3.15 and

includes any rule made or applied in regard to the use of the Facilities;

- 1.1.6 **"Facilities"** means, subject to 8.3, the recreational, sporting and entertainment facilities designated from time to time by SISA at the Hotel, but excluding the hotel known as the Palace of the Lost City and the swimming pool/s at the hotel known as the Cascades;
- 1.1.7 **"Flexi Midweek Module"** means a period of 4 (four) consecutive nights commencing at 14h00 on a Monday and ending at 10h00 on the immediately following Friday and which is in Flexi Season, provided that such Modules relate to any size or type of Apartment in the Accommodation to which a Member is entitled and not to a specific Apartment;
- 1.1.8 **"Flexi Season"** means those periods in any calendar year not falling in a Peak Season;
- 1.1.9 **"Flexi Weekend Module"** means a period of 3 (three) consecutive nights commencing at 14h00 on a Friday and ending at 10h00 on the immediately following Monday and which is in Flexi Season, provided that such Modules relate to any size or type of Apartment in the Accommodation to which a Member is entitled and not to a specific Apartment;
- 1.1.10 **"Fund"** means the Levy fund described in clause 6.2;
- 1.1.11 **"Hotel"** means the Sun City resort complex;
- 1.1.12 **"Levy"** means such amount as is payable by a Member to the Fund referred to in clause 6.2;
- 1.1.13 **"Management Agreement"** means the management agreement referred to in clause 15;
- 1.1.14 **"Management Association"** means the management association established in respect of the Scheme referred to in clause 5;
- 1.1.15 **"Manager"** or **"Managing Agent"** means SISA;
- 1.1.16 **"Member"** means a Phase 1 Member or a Phase 2 Member, as the context requires;
- 1.1.17 **"Membership Commencement Date"** in respect of any Module, means the

first day of the second month following the later of –

- 1.1.17.1 the date on which the Time-Share Sale Agreement in respect of that Module is signed (which for the purposes hereof shall, upon signature by both parties, be deemed to be the date on which the Member signed such agreement); and
- 1.1.17.2 the date on which that Member pays the purchase price due in terms of his or her Time-Share Sale Agreement (or the first instalment thereof),

(by way of example and for the sake of further clarity, in the case of a Member signing a Time-Share Sale Agreement on 15 December 2013 and paying the purchase price on the same day, the Membership Commencement Date of that Module would be 1 February 2014, whereas if such Member signed his or her Time-Share Sale Agreement on 15 December 2013 and then paid the purchase price on 12 January 2014, the Membership Commencement Date of that Module would be 1 March 2014);

- 1.1.18 "**Membership Termination Date**" means, in respect of each Module owned by the Member, the 10th (tenth) anniversary of the Membership Commencement Date of that Module unless the Scheme or such Membership is terminated earlier in accordance with the provisions hereof;

- 1.1.19 "**Module**" means a period of consecutive nights in the Accommodation, being either –

- 1.1.19.1 a Flexi Midweek Module; or
- 1.1.19.2 a Flexi Weekend Module; or
- 1.1.19.3 a Peak Midweek Module; or
- 1.1.19.4 a Peak Weekend Module,

which various Modules will be numbered by the Managing Agent, in such fashion as the Managing Agent shall determine, as will enable the category of each Module to be identified;

- 1.1.20 "**Movables**" means the items of furniture and other movables in the Apartments comprising the Accommodation –

- 1.1.20.1 the right of use of which is enjoyed by the Members as part of their right to use the Accommodation; and
- 1.1.20.2 ownership in which vests in SISA as at the date on which these Rules are adopted and which will, in the case of items acquired in the future from the application of reserves held by the Fund, vest in the Management Association;
- 1.1.21 "**Operating Costs**" has the meaning attributed thereto in clause 6.2.1.1;
- 1.1.22 "**Peak Midweek Module**" means a period of 4 (four) consecutive nights commencing at 14h00 on a Monday and ending at 10h00 on the immediately following Friday and which is in Peak Season, as described more fully in clause 4 of these Rules;
- 1.1.23 "**Peak Season**" means one or more periods, determined in respect of each year in the manner set out in clause 4, together comprising a total of 11 (eleven) Peak Midweek Modules and 11 (eleven) Peak Weekend Modules in each calendar year;
- 1.1.24 "**Peak Weekend Module**" means a period of 3 (three) consecutive nights commencing at 14h00 on a Friday and ending at 10h00 on the immediately following Monday and which is in Peak Season, as described more fully in clause 4 of these Rules;
- 1.1.25 "**Property**" means portion of Portion 1 of the Farm Doornhoek 910, Registration Division JQ, in the District of Mankwe in the Northwest Province leased by SISA from the Northwest Provincial Government;
- 1.1.26 "**Purchase Price**" means the amount paid by a Member to SISA (or to any other seller, if that be the case) to acquire a Time-Share Interest in the Accommodation and which entitles him or her to use the Facilities and his Module;
- 1.1.27 "**Roster**" means the roster prepared each year by the Trustees contemplated in clauses 4.2 to 4.4;
- 1.1.28 "**Rules**" means the rules of the Scheme contained in this document, including all annexures (if any) hereto;

- 1.1.29 **"Scheme"** means the Sun Vacation Club Time-Share Scheme established by SISA, described in and regulated by these Rules, subject to the provisions of the Act;
- 1.1.30 **"SISA"** means Sun International (South Africa) Limited, registration number 1977/071333/06, a limited liability public company duly incorporated in the Republic of South Africa;
- 1.1.31 **"Time-Share Interest"** means the right of a Member to utilise both the Accommodation and Facilities during the period of a Module in accordance with the provisions of these Rules and the Conduct Rules;
- 1.1.32 **"Time-Share Sale Agreement"** means an agreement in terms of which a Member acquires a Time-Share Interest, whether from SISA or from a third party, in accordance with the provisions of these Rules;
- 1.1.33 **"Trustees"** means the trustees referred to in clause 13;
- 1.1.34 **"VAT"** means value-added tax as levied from time to time in terms of the VAT Act;
- 1.1.35 **"VAT Act"** means the Value-Added Tax Act, No 89 of 1991;
- 1.1.36 **"Phase 1 Member"** means each purchaser of a Module which relates to a time-share interest in respect of Accommodation referred to in clauses 1.1.1.1 and/or 1.1.1.2 in respect of Sun City Phase 1 who, by virtue of the acquisition of his/her Module, participates in the Scheme and becomes a member of the Management Association;
- 1.1.37 **"Phase 2 Member"** means each purchaser of a Module which relates to a time-share interest in respect of Accommodation referred to in clause 1.1.1.3 in respect of Sun City Phase 2 who, by virtue of the acquisition of his/her Module, participates in the Scheme and becomes a member of the Management Association;
- 1.1.38 **"Sun City Phase 1"** means 2 (two) and 3 (three) bedroom apartments situated on the Sun City Resort and illustrated as per **Annexure A**; and
- 1.1.39 **"Sun City Phase 2"** means 2 (two) bedroom apartments situated on the Sun City Resort and illustrated as per **Annexure A**;

1.2 In these Rules -

1.2.1 clause headings and the heading of the Rules are for convenience only and are not to be used in its interpretation;

1.2.2 an expression which denotes -

1.2.2.1 any gender includes the other genders;

1.2.2.2 a natural person includes a juristic person and *vice versa*;

1.2.2.3 the singular includes the plural and *vice versa*;

1.2.2.4 a Party includes a reference to that Party's successors in title and assigns allowed at law; and

1.2.2.5 a reference to a consecutive series of two or more clauses is deemed to be inclusive of both the first and last mentioned clauses.

1.3 Any reference in these Rules to –

1.3.1 "**business hours**" shall be construed as being the hours between 08h30 and 17h00 on any business day. Any reference to time shall be based upon South African Standard Time;

1.3.2 "**days**" shall be construed as calendar days unless qualified by the word "business", in which instance a "business day" will be any day other than a Saturday, Sunday or public holiday as gazetted by the government of the Republic of South Africa from time to time;

1.3.3 "**laws**" means all constitutions; statutes; regulations; by-laws; codes; ordinances; decrees; rules; judicial, arbitral, administrative, ministerial, departmental or regulatory judgements, orders, decisions, rulings, or awards; policies; voluntary restraints; guidelines; directives; compliance notices; abatement notices; agreements with, requirements of, or instructions by any Government Body; and the common law, and "**law**" shall have a similar meaning and

1.3.4 "**person**" means any person, company, close corporation, trust, partnership or other entity whether or not having separate legal personality.

- 1.4 The words "**include**" and "**including**" mean "include without limitation" and "including without limitation". The use of the words "**include**" and "**including**" followed by a specific example or examples shall not be construed as limiting the meaning of the general wording preceding it.
- 1.5 Any substantive provision, conferring rights or imposing obligations on the Management Association, any Member and/or SISA and appearing in any of the definitions in this clause 1 or elsewhere in these Rules, shall be given effect to as if it were a substantive provision in the body of the Rules.
- 1.6 Words and expressions defined in any clause shall, unless the application of any such word or expression is specifically limited to that clause, bear the meaning assigned to such word or expression throughout these Rules.
- 1.7 Unless otherwise provided, defined terms appearing in these Rules in title case shall be given their meaning as defined, while the same terms appearing in lower case shall be interpreted in accordance with their plain English meaning.
- 1.8 A reference to any statutory enactment shall be construed as a reference to that enactment as at the date of commencement of the Scheme and as amended or substituted from time to time.
- 1.9 Unless specifically otherwise provided, any number of days prescribed shall be determined by excluding the first and including the last day or, where the last day falls on a day that is not a business day, the next succeeding business day.
- 1.10 If the due date for performance of any obligation in terms of these Rules is a day which is not a business day then (unless otherwise stipulated) the due date for performance of the relevant obligation shall be the immediately following business day.
- 1.11 Where figures are referred to in numerals and in words, and there is any conflict between the two, the words shall prevail, unless the context indicates a contrary intention.

2 **NAME OF THE SCHEME**

The name of the Scheme is "Sun Vacation Club".

3 OBJECT OF THE SCHEME

The sole and principal object of the Scheme is, subject to the Rules, to provide social and recreational facilities and amenities to Members, and in particular for the Members to obtain –

- 3.1 the use of the Accommodation for their respective Modules; and
- 3.2 the use of the Facilities in terms of the Rules and while they utilise their Modules.

4 DETERMINATION OF PEAK SEASON AND ROSTER

- 4.1 For the purposes of these Rules, references to the "**School Holidays**" are to the holidays as determined for public schools in Gauteng in terms of the relevant legislation from time to time.

Roster

- 4.2 The Trustees shall annually, as soon as the various School Holidays have been determined, prepare a Roster which fixes the various Modules being –
 - 4.2.1 Peak Weekend Modules;
 - 4.2.2 Peak Midweek Modules;
 - 4.2.3 Flexi Weekend Modules; and
 - 4.2.4 Flexi Midweek Modules,

in respect of the following year pursuant to these Rules and make available to each Member who is entitled to the use of Accommodation during those Modules of such determination.
- 4.3 In preparing the Roster, the Trustees shall comply with the provisions of these Rules as far as possible in determining the Modules in Peak Season with reference to the School Holidays in regard to the Modules in Peak Season.
- 4.4 In preparing the Roster, preference shall be given as follows –
 - 4.4.1 in regard to Modules in Peak Season;
 - 4.4.1.1 firstly P1 (and thereafter each of the Peak Modules in their numerical order from P2 to P11);

4.4.1.2 secondly Peak Weekend Modules; and

4.4.1.3 thirdly Peak Midweek Modules; and

4.4.2 in regard to Modules in Flexi Season:

4.4.2.1 firstly Flexi Weekend Modules;

4.4.2.2 secondly Flexi Midweek Modules,

provided always that –

4.4.3 Modules in Peak Season shall always receive preference above Modules in Flexi Season;

4.4.4 if Module P1 is not determined or determinable, the Trustees shall have the sole discretion to prepare the Roster in terms of 4.4.1 and 4.4.2 and to amend same during the course of a year; and

4.4.5 P1 will always coincide with the Nedbank Challenge Golf Tournament at Sun City whenever it takes place, provided that if such Tournament takes place at a time other than at the end of November and/or the beginning of December in any year, P1 will be a period at the time of such Tournament and, furthermore, if P1 as a result conflicts with any other Module, then such other Module shall be moved to such period as the Trustees in their discretion so determine so as to accommodate P1, bearing in mind and based on their obligations in terms of 4.4.1 and 4.4.2 above;

4.4.6 if the Nedbank Challenge Golf Tournament does not take place, P1 will –

4.4.6.1 run from a Friday to a Friday commencing at 14h00 on the commencement date and terminating at 10h00 on the termination date; and

4.4.6.2 precede PW4 or in the case where PM5 precedes PW4, P1 will precede PW5;

4.4.7 if Christmas Day falls on a Friday in any year -

4.4.7.1 Module PM2 will not end on Christmas Day but will be extended by 1 (one) day and end at 10h00 on the immediately following Saturday;

4.4.7.2 Module PW3 will commence at 14h00 on the immediately following

Saturday and end at 10h00 on immediately following Tuesday;

- 4.4.7.3 Module PM3 will commence at 14h00 on the Tuesday on which PW3 ends and end at 10h00 on the immediately following Saturday;
- 4.4.7.4 Module PW5 will commence at 14h00 on the Saturday on which PM3 ends and end at 10h00 on the immediately following Wednesday; and
- 4.4.7.5 Module PM5 will commence at 14h00 on the Wednesday on which PW5 ends and end at 10h00 on the immediately following Monday;
- 4.4.8 if any of the School Holidays have not been determined timeously, the Trustees shall likewise have the sole discretion to compile the Roster in terms of 4.4.1 and 4.4.2 above and amend same during the course of a year.

Peak Season and Modules

- 4.5 Each Peak Season Module is identified for the purposes of these rules on the following basis –
 - 4.5.1 P1 - being the Module referred to in clause 4.6 (subject to clauses 4.4.5 and 4.4.6);
 - 4.5.2 PW - being a Peak Weekend Module; and
 - 4.5.3 PM - being a Peak Midweek Module.
- 4.6 P1 comprises both a Peak Weekend Module and the preceding Midweek Module (which shall be regarded as a Peak Midweek Module) which coincides with the current Nedbank Challenge Golf Tournament held at Sun City at approximately the end of November and the beginning of December each year. P1 will always commence at 14h00 on a Monday and terminate at 10h00 on the next succeeding Monday.
- 4.7 Apart from P1, the remaining Peak Weekend Modules will, subject to clause 4.4.7 where applicable, be as follows –
 - 4.7.1 PW2 - being a Peak Weekend Module which, together with PM2, will coincide with Christmas Day;
 - 4.7.2 PW3 - being a Peak Weekend Module which succeeds PM2;

- 4.7.3 PW4 - being a Peak Weekend Module which precedes PM4 and PW2;
 - 4.7.4 PW5 - subject to 4.6, being a Peak Weekend Module which succeeds PM3 or may precede PM5 and PW4, in the discretion of SISA;
 - 4.7.5 PW6 - being a Peak Weekend Module which commences on Good Friday;
 - 4.7.6 PW7 - being a Peak Weekend Module which coincides with the Autumn School Holidays and, either immediately or otherwise, precedes PM7 and PW6 or immediately or otherwise succeeds PM6, in the discretion of the Trustees;
 - 4.7.7 PW8, PW9 and PW10 - being 3 (three) Peak Weekend Modules which coincide with 3 (three) weekends of the Winter School Holidays; and
 - 4.7.8 PW11 - being a Peak Weekend Module which coincides with the Spring School Holidays.
- 4.8 Apart from P1, the remaining Peak Midweek Modules will be as follows –
- 4.8.1 PM2 - being a Peak Midweek Module which succeeds PW2;
 - 4.8.2 PM3 - being a Peak Midweek Module which succeeds PW3;
 - 4.8.3 PM4 - being a Peak Midweek Module which succeeds PW4;
 - 4.8.4 PM5 - being a Peak Midweek Module which succeeds PW5;
 - 4.8.5 PM6 - being a Peak Midweek Module which succeeds PW6;
 - 4.8.6 PM7 - being a Peak Midweek Module which succeeds PW7;
 - 4.8.7 PM8 - being a Peak Midweek Module which succeeds PW8;
 - 4.8.8 PM9 - being a Peak Midweek Module which succeeds PW9;
 - 4.8.9 PM10 - being a Peak Midweek Module which succeeds PW10;
 - 4.8.10 PM11 - being a Peak Midweek Module which succeeds PW11.

Use of Accommodation in respect of Sun City Phase 1 and Sun City Phase 2.

- 4.9 Phase Phase 1 Members shall only be entitled to utilize Accommodation forming

part of Sun City Phase 1 and Phase 2 Members shall only be entitled to utilize Accommodation forming part of Sun City Phase 2.

5 ESTABLISHMENT AND NATURE OF MANAGEMENT ASSOCIATION

- 5.1 With effect from the date on which any person other than SISA acquires a Membership Interest there shall be deemed to have been established a Management Association in respect of the Scheme as contemplated in the Act, to be known as the "Sun Vacation Club Association". Every person who thereafter acquires a Membership Interest shall, in accordance with the Act, become a Member of the Management Association.
- 5.2 The Management Association is a corporate body under the common law of the Republic of South Africa and has perpetual succession. Thus the Management Association –
- 5.2.1 continues as an entity notwithstanding changes in and of its membership;
- 5.2.2 holds its assets distinct from its members; and
- 5.2.3 no member has any right, title, claim or interest to the assets of the Management Association by reason of his or her membership.
- 5.3 The Management Association, and not its members, is responsible for the payment of its debts.
- 5.4 The Management Association does not have the object of carrying on any business that has as its object the acquisition of gain for itself or its members.
- 5.5 The Management Association is not permitted to distribute any of its gains or profits to its members or any person, which gains or profits must be derived solely from transactions with or on behalf of its members.
- 5.6 The Management Association is required to utilise its funds solely for investment or for the object for which it has been established.
- 5.7 The activities of the Management Association are to be wholly or mainly directed to the furtherance of the objectives of the Scheme.
- 5.8 The Companies Act, No. 71 of 2008, shall not apply in relation to the Management Association.

- 5.9 The Management Association is responsible for the enforcement of the Conduct Rules, and the control, administration and management of the Scheme for the benefit of Members.

6 FUNCTIONS AND POWERS OF THE MANAGEMENT ASSOCIATION

- 6.1 Subject to any limitation imposed by these Rules and any law, the Management Association shall perform the functions entrusted to it by or under these Rules or the Conduct Rules, all or some of which may be delegated by it to the Managing Agent in terms of the Management Agreement.

6.2 Levies and Levy Fund

- 6.2.1 The Management Association shall be responsible for procuring the establishment of a fund ("**the Fund**") for the purposes of meeting the costs of –

- 6.2.1.1 the control, administration and management of the Management Association, the maintenance of the Accommodation and the Movables in the Accommodation and the cost of maintaining the Property on which the Accommodation is situated and the payment of a contribution to SISA, approved by the Trustees, for the use of the Facilities (the "**Operating Costs**"); and

- 6.2.1.2 the creation and maintenance of a reserve fund for "improvements", as opposed to "repairs", and for the replacement of Movables in the Accommodation (the "**Asset Replacement Costs**"), which amounts shall also be utilised for the upkeep and refurbishing of the fixtures in the Accommodation, including the creation of facilities or amenities on or in the Accommodation or the Property,

and to procure that all amounts credited to such Fund and allocated in respect of Asset Replacement Costs shall be invested by the Trustees separately in any type of investment in a bank or other registered financial institution as they deem fit. Should the Trustees believe it to be in the best interests of Members, the Trustees may instruct the Manager to establish separate sub-funds in respect of either the Operating Costs or the Asset Replacement Costs, or both, in respect of Sun City Phase 1 and Sun City Phase 2 and any other further phases that may be incorporated and form part of the Management

Association as well as an overarching fund for the Operating Costs and/or Asset Replacement Costs relating to the common administration of the Association, including areas of the Property which are included in the Scheme but are not specific to Sun City Phase 1 or Sun City Phase 2, or any other phases.

6.2.2 The Management Association shall require Members, annually, to make contributions to the Fund by way of the payment of Levies, determined as between Members in accordance with the following weighting factors –

6.2.2.1 2 (two) Bedroom Apartments – Sun City Phase 1

6.2.2.1.1 Peak Weekend Module 1.1 (one point one);

6.2.2.1.2 Peak Midweek Module 1.1 (one point one);

6.2.2.1.3 Flexi Weekend Module 1.0 (one);

6.2.2.1.4 Flexi Midweek Module 1.0 (one);

6.2.2.2 3 (three) Bedroom Apartments – Sun City Phase 1

6.2.2.2.1 Peak Weekend Module 1.54 (one point five four);

6.2.2.2.2 Peak Midweek Module 1.54 (one point five four);

6.2.2.2.3 Flexi Weekend Module 1.4 (one point four);

6.2.2.2.4 Flexi Midweek Module 1.4 (one point four);

6.2.2.3 2 (two) Bedroom Apartments – Sun City Phase 2

6.2.2.3.1 Peak Weekend Module 1.37 (one point three seven);

6.2.2.3.2 Peak Midweek Module 1.37 (one point three seven);

6.2.2.3.3 Flexi Weekend Module 1.24 (one point two four);

6.2.2.3.4 Flexi Midweek Module 1.24 (one point two four).

6.2.3 Subject to clauses 6.2.4 and 6.2.5, Levies are payable by a Member for the duration of his or her Membership as follows –

- 6.2.3.1 in the case of Modules in Flexi Season, which includes Flexi Weekend Modules and Flexi Midweek Modules, Levies are payable annually in advance reckoned from the Membership Commencement Date of each relevant Member at the charge applicable for the financial year in which use occurs, provided that the amount payable in respect of the first year's Levy shall be made at the time that the Member purchases his or her Time-Share Interest; and
- 6.2.3.2 in the case of Modules in Peak Season, which includes Peak Weekend Modules and Peak Midweek Modules, Levies are payable annually 3 (three) months in advance of the date of use of the module, at the charge applicable for the financial year in which use occurs, provided that the amount payable in respect of the first year's Levy shall be made at the time that the Member purchases his or her Time-Share Interest,
- provided that the Manager is authorised, in its discretion, to reduce the current year's Levy payable by any Member who occupies an Apartment prior to the refurbishment thereof at any time during the operation of the Scheme, in which event the amount of such reduction will be determined by the Manager (but not exceed 20%) and will be credited to the Levy account of the Member concerned.
- 6.2.4 The Trustees shall determine from time to time when and the manner in which Levies are to be paid including, without limitation, that they be paid by way of debit orders or any other electronic or other transfer mechanism acceptable to the Trustees, and that discounts may be given.
- 6.2.5 If the Trustees decide that any Levy is payable in instalments, then those instalments which fall due in that part of the year in which the Levy is increased, shall be proportionately increased.
- 6.2.6 Each of the various elements making up the Levies shall be adjusted annually on the basis described in the Management Agreement and summarised in clause 15.3 hereof.
- 6.2.7 The Management Association shall further have the power to –
- 6.2.7.1 open and operate an account or accounts with any bank;
- 6.2.7.2 to refuse to accept a reservation from a Member to utilise a Module or to

refuse a Member use of his or her Module, if such Member is in arrear with any Levy;

6.2.7.3 at any time to raise a special Levy for any purpose considered prudent and required by the Trustees; and

6.2.7.4 in general, to control, manage and administer the Management Association for the benefit of all Members.

6.3 Powers of the Management Association

The Management Association shall have such powers as it may require to perform its functions in terms of these Rules, including the powers specifically conferred upon it herein and/or in the Conduct Rules. Such powers include, *inter alia*, the power –

6.3.1 to require, if the Trustees so decide, a Member who holds 10 (ten) or more Time-Share Interests, to provide a guarantee to the satisfaction of the Trustees, for payment of the Levies in respect of such Member's Time-Share Interests;

6.3.2 to charge interest on arrear Levies at such rate and calculated in such manner, as the Trustees may from time to time decide, including the right to charge a reasonable administration fee;

6.3.3 to provide such services to Members as the Trustees may from time to time determine;

6.3.4 to acquire in any manner movable property for the use of the Management Association or Members;

6.3.5 subject to clause 6.4.1, to borrow monies required by the Management Association in the performance of its functions or the exercise of its powers;

6.3.6 to secure the repayment of monies borrowed by it, including interest thereon, in any manner that the Trustees may determine;

6.3.7 to enter into any arrangement with any government or authorities, national, municipal, local or otherwise, that may seem conducive to the objectives of the Scheme. The Management Association has the right to obtain from any such government or authority any rights, privileges and concessions which the

Management Association may consider desirable to obtain in furtherance of its object. The Management Association may carry out, exercise and comply with any such arrangements, rights, privileges and concessions;

- 6.3.8 to remunerate any person for services rendered or to be rendered in organising or managing the Management Association's affairs;
- 6.3.9 to open bank accounts and, subject to clause 6.4.1, to overdraw the same, and to draw, make, accept, endorse, discount, execute and issue negotiable or transferable instruments of any kind;
- 6.3.10 to apply for any law, order, regulation or other authorisation or provision that is to the benefit of the Management Association, either directly or indirectly and to oppose any bills or laws, actions, or applications that may prejudice the interests of the Management Association or its Members;
- 6.3.11 to use such means as are required to publicise the object of the Management Association;
- 6.3.12 to advertise the Management Association;
- 6.3.13 to take out any insurance against any loss that the Management Association may suffer;
- 6.3.14 to recruit Members for the Management Association;
- 6.3.15 to make Conduct Rules for the control, management, administration, use and enjoyment of Time-Share Interests and to add to, amend or repeal such Conduct Rules, provided that any Conduct Rule shall –
 - 6.3.15.1 apply equally to all Members, however drawing a distinction between Members who are entitled to Modules in Flexi Season and Members who are entitled to Modules in Peak Season;
 - 6.3.15.2 not be in conflict with these Rules;
 - 6.3.15.3 be reasonable; and
 - 6.3.15.4 in regard to the making of, addition to, amendment, repeal or substitution thereof, be subject to the approval of SISA;

- 6.3.16 to regulate relationships between the Members;
- 6.3.17 subject to the consent of the Managing Agent, to appoint or employ persons other than the Managing Agent;
- 6.3.18 to provide Members with information relating to the activities of the Management Association;
- 6.3.19 to ensure that a Member has, by virtue of his or her Membership –
 - 6.3.19.1 subject to the Conduct Rules, the use of the Facilities; and
 - 6.3.19.2 the sole and exclusive use and occupation in the relevant Accommodation for residential purposes, of the Module allocated to such Member in terms of clause 8.1 or to which such Member is entitled in terms of 8.2;
- 6.3.20 to assign to the Managing Agent all or any of its rights, obligations, powers and duties;
- 6.3.21 to apply for membership of any organisation, including an organisation offering exchange facilities of whatsoever nature, such as offered by Resort Condominiums International, which the Trustees consider to be in furtherance of the objectives of the Scheme;
- 6.3.22 to enter into any agreements for the purposes of the Management Association;
- 6.3.23 to create a mechanism in terms of which Modules have value, including on a "points" or other basis, provided that such value system is coupled to or connected with demand for the particular Modules, and provided further that such mechanism is subject to the approval of SISA;
- 6.3.24 to alienate any part of the Accommodation which the Trustees consider to be underutilised by the members and to acquire further Accommodation in place of that so disposed of or in addition the Accommodation existing at any time. In the event of such alienation, the Trustees shall offer the holder of any Peak Modules affected thereby a choice of other accommodation available or a *pro rata* refund of his or her purchase price, without interest, based on the future un-utilisable periods; and
- 6.3.25 generally do, or have done, all such things as may appear to the Management Association to be incidental or conducive to the attainment of the object of the

Management Association.

6.4 **Restrictions**

The powers of the Management Association are restricted in the following respects, namely -

- 6.4.1 the Management Association may not borrow any monies except to finance any shortfall or deficit, including a temporary shortfall or deficit, however arising, in the Fund;
- 6.4.2 the Management Association may not lend any monies to Members, provided that such restriction shall not prevent the Management Association, in its discretion, from granting any extension of time to a Member to pay any Levy;
- 6.4.3 the Management Association may only apply current Levies in payment to the Managing Agent for services rendered by the Managing Agent pursuant to the Management Agreement;
- 6.4.4 no profits or gains will be distributed to any person and the funds of the Management Association will be utilised solely for investment or the objects for which the Management Association and/or Scheme was established;
- 6.4.5 the Management Association shall not have the power to carry on any business, including *inter alia*, ordinary trading operations in the commercial sense, speculative transactions or the letting of property on a systematic basis.

7 **MEMBERSHIP OF THE MANAGEMENT ASSOCIATION**

- 7.1 In accordance with the provisions of the Act, the Members of the Management Association shall be –
 - 7.1.1 SISA as the developer of the Scheme for so long as it remains the owner of any Modules; and
 - 7.1.2 each person who acquires a Time-Share Interest who shall, by virtue of such acquisition pursuant to entering into a Time-Share Sale Agreement and compliance with any other requirements of the Trustees and/or SISA (including the payment of the first year's Levy, furnishing of information and/or completion of any other documents required), automatically become a

Member of the Management Association and remain a Member until the Membership Termination Date in respect of that Member.

7.2 More than 1 (one) person may hold a Time-Share Interest, in which case the persons holding such Time-Share Interest shall jointly constitute the Member.

7.3 Each Time-Share Interest shall entitle a Member to the use of –

7.3.1 his or her Module in the relevant Accommodation; and

7.3.2 the Facilities while he or she is utilising the Accommodation during the period of his or her Module; and

7.4 Apart from SISA, Membership is divided into 4 (four) categories between the holders of –

7.4.1 *Peak Weekend Modules*

This category entitles the Member concerned, subject to clause 8.2, to utilise his or her Peak Weekend Module in the relevant Accommodation until dissolution of the Management Association or the Membership Termination Date in respect of that Member, whichever occurs first;

7.4.2 *Peak Midweek Modules*

This category entitles the Member concerned, subject to clause 8.2, to utilise his or her Peak Midweek Module in the relevant Accommodation until dissolution of the Management Association or the Membership Termination Date in respect of that Member, whichever occurs first;

7.4.3 *Flexi Weekend Module*

This category entitles the Member concerned, subject to clause 8.1, to utilise his or her Module until dissolution of the Management Association or the Membership Termination Date in respect of that Member, whichever occurs first;

7.4.4 *Flexi Midweek Module*

This category entitles the Member concerned, subject to clause 8.1, to utilise his or her Module until dissolution of the Management Association or the

Membership Termination Date in respect of that Member, whichever occurs first.

- 7.5 Each of the categories referred to in clause 7.4 shall also be divided into categories applicable in respect of Phase 1 Members and Phase 2 Members respectively.

8 RIGHTS OF MEMBERS – ACCOMMODATION AND FACILITIES

Flexi Periods

- 8.1 In respect of Members who are entitled to the use of the Accommodation and the Facilities in either a Flexi Weekend Module or a Flexi Midweek Module, a Member shall be entitled to the use thereof subject to the following –
- 8.1.1 he or she must comply with the Conduct Rules;
 - 8.1.2 he or she must not be in arrear with any Levies specifically and generally all amounts owing, due and payable under the Member's respective Time-Share Sale Agreement due to the Management Association;
 - 8.1.3 he or she gives such notice as the Trustees from time to time determine prior to the commencement of the Module which he or she wishes to utilise, provided that –
 - 8.1.3.1 he or she may only give such notice for a Module within the forthcoming 12 (twelve) months;
 - 8.1.3.2 he or she has not previously reserved such Module within the same anniversary year;
 - 8.1.3.3 not less than 90 (ninety) days' nor more than 1 (one) year's notice may be given, provided that the Trustees can relax, in their discretion from time to time, specifically or generally, the required notice;
 - 8.1.4 subject to availability, the Managing Agent shall allocate the Module to the Member, provided that –
 - 8.1.4.1 the allocation shall be in any Apartment with the number of rooms to which the Member is entitled, in the Managing Agent's discretion;

- 8.1.4.2 a Module in Flexi Season will only be unavailable for use by a Member if it is subject to a prior timeous booking by another Member in terms of these Rules;
- 8.1.5 upon the allocation of such Module, the Member shall have –
 - 8.1.5.1 the sole and exclusive right of use of the Apartment in the Accommodation for the Module; and
 - 8.1.5.2 the right of use of the Facilities while he or she so utilises the Module;
- 8.1.6 If any Module in Flexi Season is not subject to a prior timeous booking by a Member in terms of these Rules, the right to utilise that Module will vest in SISA.

Peak Periods

- 8.2 In respect of Members who are entitled to the use of the Accommodation and the Facilities for a Peak Weekend Module or a Peak Midweek Module, a Member shall be entitled to the use thereof subject to the following –
 - 8.2.1 he or she must comply with the Conduct Rules;
 - 8.2.2 he or she must not be in arrear with any Levies due to the Management Association;
 - 8.2.3 he or she shall be obliged to give the Management Association such notice as determined from time to time by the Trustees;
 - 8.2.4 such a Member shall have –
 - 8.2.4.1 the sole and exclusive right and use of the Module in the relevant Accommodation; and
 - 8.2.4.2 the use of the Facilities while he or she uses the Module.

Use of Facilities

- 8.3 When a Member uses the Facilities, the use of such Facilities shall be made available as if he or she were a paying guest of the Hotel or other accommodation in the complex in which the Facilities are situated, provided that –

- 8.3.1 Members do not have the sole and exclusive right to the Facilities;
- 8.3.2 Members must share such Facilities with other Members and other guests in the Hotel;
- 8.3.3 a Member is obliged to comply with any rules relating to the use of such Facilities laid down from time to time;
- 8.3.4 a Member is obliged to pay such charges as would then be payable by a guest in the Hotel for the access to and/or the use of such Facilities;
- 8.3.5 the range of Facilities may be reduced or increased entirely in the discretion of SISA; and
- 8.3.6 the Availability of the Facilities may for any reason be suspended or terminated at any time in the discretion of SISA.

9 FURTHER RIGHTS AND OBLIGATIONS OF MEMBERS

- 9.1 No person may become a Member until he or she:
 - 9.1.1 shall have paid the purchase price or portion thereof due in terms of his or her duly countersigned Time-Share Sale Agreement (or the first instalment thereof) and the VAT thereon;
 - 9.1.2 the Membership Commencement Date in respect of the Module referred to in such agreement has occurred; and
 - 9.1.3 has received a Time-Share Sale Agreement duly counter-signed by SISA.
- 9.2 Unless otherwise agreed by the Trustees, no person (other than SISA) may own or effectively control, in the opinion of the Trustees, Time-Share Interests in respect of more than 10 (ten) Modules, provided that –
 - 9.2.1 in deciding whether any person has effective control in a Time-Share Interest in respect of any Module, the Trustees shall be entitled, as a guideline within their discretion, to apply the definition of "connected person" in the VAT Act, and in such regard if such person is a "connected person", as defined in the VAT Act, he or she shall be deemed to have effective control for the aforesaid purposes;

- 9.2.2 any Member, his executor, administrator or other legal representative wishing to transfer any Time-Share Interest shall, upon request, furnish the Trustees with such additional information regarding any proposed transferee as the Trustees may require in order to satisfy themselves as to the matters referred to above.
- 9.3 A Member shall be entitled to such benefits as the Management Association may determine from time to time pursuant to the Conduct Rules.
- 9.4 A Member is obliged to pay the Levy as set out in clause 6.2.
- 9.5 A Member is obliged to comply with the Conduct Rules.
- 9.6 A Member is entitled, upon such terms and conditions as the Management Association may determine from time to time, to obtain benefits with such organisation/s contemplated in clause 6.3.21 as the Trustees may from time to time determine and advise Members.
- 9.7 A Member shall, subject to clause 11.8, be furnished by the Management Association with a Membership Certificate.
- 9.8 A Member shall be entitled to a duplicate Membership Certificate provided –
- 9.8.1 he or she indemnifies the Management Association in such manner as the Trustees deem fit; and
- 9.8.2 he or she pays the Management Association such reasonable charge as the Trustees may from time to time decide.
- 9.9 A Member is deemed to have knowledge of the Rules.
- 9.10 Only a person of full legal capacity shall be entitled to acquire a Time-Share Interest.
- 9.11 A Member's right to his or her Module endures until –
- 9.11.1 the Member's Membership is forfeited or is terminated in accordance with the provisions of these Rules; or
- 9.11.2 he or she transfers his or her Time-Share Interest pursuant to a sale thereof; or

- 9.11.3 the Management Association is dissolved; or
- 9.11.4 the arrival of the Membership Termination Date of the Member in respect of that Module,
- whichever occurs first.
- 9.12 Subject to any condition imposed by any lawful authority in regard to the use of the Accommodation, the Member shall be obliged to use the Module for temporary residential purposes only, and for no other purposes whatsoever.
- 9.13 A Member shall not be entitled to alienate his or her Time-Share Interest in any manner other than in terms of these Rules relating to the transfer of a Time-Share Interest. "Alienate" in this regard means alienate in any manner whatsoever and includes an alienation, either voluntarily or involuntarily, by way of sale, exchange, donation, deed, intestacy, will, cession, assignment, court order or insolvency, irrespective as to whether such alienation is subject to a suspensive condition. "Alienation" has a corresponding meaning.
- 9.14 A Member shall be entitled and obliged to park his or her vehicle in such place as the Conduct Rules may from time to time determine whilst he or she is utilising his or her Module. A Member is entitled to park only one vehicle for each Module to which he or she is entitled to use at the time.
- 9.15 Each Member shall be entitled at meetings of the Management Association to one vote to each time-share interest owned provided that should the Trustees or the Manager determine in their reasonable discretion, that an issue relates specifically to either Sun City Phase 1 or Sun City Phase 2 (or any other phases which may be incorporated and form part of the Scheme) and that the issue is not of concern to members of any other phase, then the Trustees or the Manager may determine that only Phase 1 Members will vote in respect of such issue if it relates to Sun City Phase 1 and Phase 2 Members will vote in respect of such issue if it relates to Sun City Phase 2, unless otherwise determined by all of the Members.
- 9.16 A Member who is in arrear with any Levies specifically and generally all amounts owing, due and payable under the Member's respective Time-Share Sale Agreement shall not be entitled to exercise any vote, nor be entitled to utilise the Facilities or his or her Module.

- 9.17 A Member shall, if so requested by the Trustees, exhibit his or her Membership Certificate (or such other confirmation of Membership as may be prescribed in the Conduct Rules from time to time) before he or she is entitled to utilise the Facilities or his or her Module.
- 9.18 Subject to the consent of the Trustees, a Member is entitled to have a guest make use of his or her Time-Share Interest, in which event he or she shall ensure that such guest complies with the Conduct Rules.
- 9.19 Subject to availability and to any rules established by the Trustees from time to time, a Member holding rights in a Weekend Module or a Midweek Module, whether Peak or Flexi, shall be entitled to utilise his or her Weekend Module or Midweek Module in other Accommodation than that to which his or her said Module relates and/or in a Weekend Module or Midweek Module whether Peak or Flexi.
- 9.20 Where Accommodation not possessed by the Management Association is offered by the Management Association, a Member may utilise his or her Module in such Accommodation.
- 9.21 The right to use the Accommodation for the respective Module shall –
- 9.21.1 be restricted, in the case of a two-bedroomed Apartment, to 6 (six) persons, and a three-bedroomed Apartment, to 8 (eight) persons; and
- 9.21.2 subject to 9.19 and 9.20 in the case of a Member who is entitled to a Module in the Flexi Season, he or she shall be restricted to the Accommodation in any Apartment, provided it is of the size and type to which he or she is entitled; and
- 9.21.3 subject to 9.19 and 9.20 in the case of a Member who is entitled to a Module in the Peak Season, he or she shall be restricted to the use of Accommodation in any Apartment provided it is of the size and type to which he or she is entitled.
- 9.22 If a Member ceases to be a Member his or her right to utilise his or her Time-Share Interest shall immediately cease.
- 9.23 A Member is not entitled to either pledge his or her Time-Share Interest or cede or make over or transfer or in any way deal either temporarily or permanently with

his or her Time-Share Interest, including his or her right to utilise the Accommodation and Facilities. Such constitutes a transfer of Membership and must be effected in compliance and in terms of the Rules.

9.24 Notwithstanding the date of notification to the Member by the Management Association, a Time-Share Interest –

9.24.1 commences on the Membership Commencement Date in respect of that Member; and

9.24.2 continues for the purposes of the use of the Accommodation and Facilities on an annual basis reckoned from such Membership Commencement Date or such other date as the Trustees may determine, provided that if the Trustees determine any other date it shall not have the effect of reducing the total use periods to which such Member is entitled.

9.25 No Member shall be entitled to accumulate a Module from one year in which he or she is entitled to use such Module, to any following year.

10 MEETINGS OF MEMBERS

10.1 Convening and Notice of General Meetings

10.1.1 The Management Association shall not later than 11 (eleven) months after the end of each financial year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. The financial year of the Management Association shall run from such day to such day as the Trustees may decide.

10.1.2 The Annual General Meeting shall be held at such place and at such time as the Trustees may decide.

10.1.3 All meetings other than the Annual General Meeting shall be called Special General Meetings. If either the Trustees or the Manager have determined that a matter relates specifically to either Sun City Phase 1 or Sun City Phase 2, or any other phase incorporated and forming part of the Scheme as envisaged in terms of clause 9.15, the Trustees or the Manager may determine that a separate Special General Meeting be held in respect of that specific issue or alternatively provide that the resolution only be voted on by the Phase 1 Members or the Phase 2 Members as the case may be, and the provisions of

clause 10.3 will apply, amended as required in respect of the voting in respect of such resolution. The notice convening such meeting shall specify which resolutions will be only voted on by Members of a particular phase and the reason therefore.

- 10.1.4 The Trustees may, whenever they think fit, and they shall, upon requisition made in writing by at least 15% (fifteen percent) of the Members who are entitled to vote at that time, and who in writing state the object of the meeting, convene a Special General Meeting at such place as the Trustees may decide.
- 10.1.5 In the case of a Special General Meeting called pursuant to a requisition in terms of 10.1.4, unless such meeting shall have been called by the Trustees, no business other than that stated in the requisition as the object of the meeting, shall be transacted.
- 10.1.6 A General Meeting shall be called by giving at least 10 (ten) business days' notice thereof. The notice shall be exclusive of the day for which it is given, and shall specify the place, the day and the time of the meeting. In the case of special business, the notice shall state the general nature of such business. Every notice calling a General Meeting shall specify the meeting as such.
- 10.1.7 In every notice calling a General Meeting there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint a proxy to attend and vote in his or her place and that such holder of a proxy must also be a Member or the spouse, child or parent of the Member granting such proxy. Such holder of a proxy may hold more than one proxy appointment and the Chairman of any meeting shall be entitled, where the holder of a proxy is not a Member, to call for such reasonable proof as he or she may require of the relationship of such holder to the grantor of the proxy. Proxies must be submitted not less than 24 (twenty four) hours prior to the meeting. Proxies can only vote on a poll by ballot and not on a show of hands.
- 10.1.8 A *bona fide* omission to give notice to any Member entitled under these Rules to receive notice of a General Meeting, or the non-receipt by any such Member of such notice, shall not invalidate the proceedings at any such meeting.

10.2 **Proceedings at General Meetings**

- 10.2.1 The business of an Annual General Meeting shall be to –
- 10.2.1.1 confirm the minutes of the previous Annual General Meeting and any Special General Meeting;
 - 10.2.1.2 receive and consider the financial statements referred to in clause 17 for the previous year;
 - 10.2.1.3 receive and consider the report of the Chairman of the Trustees;
 - 10.2.1.4 elect an Auditor and fix his or her remuneration;
 - 10.2.1.5 elect the 2 (two) Trustees referred to in clause 13.1.2, provided that an existing Trustee shall be available for re-election;
 - 10.2.1.6 make any amendment to the Rules, provided there is compliance with clause 19; and
 - 10.2.1.7 attend to any other matter which any Member or the Trustees wishes to discuss, provided that if it is a matter which a Member wishes to discuss, he or she must give the Trustees at least 30 (thirty) days' written notice prior to the relevant meeting.
- 10.2.2 No business shall be transacted at any General Meeting, unless a quorum of Members is present.
- 10.2.3 Such quorum shall consist of not less than 4 (four) Members of whom 1 (one) shall be the Chairman of the Trustees (as representative of SISA), personally present or represented by proxy, who are entitled to vote;
- 10.2.4 If within half an hour from the time appointed for a General Meeting a quorum of Members is not present, the meeting, if convened by or on the requisition of Members, shall be dissolved. In any other case the meeting shall stand adjourned to the same day of the next week, at the same time and place, and if at such adjourned meeting a quorum is not present, those present shall constitute a quorum.

- 10.2.5 The Chairman of the Trustees shall preside as Chairman at every General Meeting of the Management Association. The Chairman shall, in addition to his or her deliberative vote, have a casting vote.
- 10.2.6 The Chairman may, with the consent of any General Meeting at which a quorum is present, and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- 10.2.7 No business shall be transacted by any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- 10.2.8 When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjourned meeting or of the business to be transacted thereat.

10.3 **Voting**

- 10.3.1 At any General Meeting, every proposal shall be decided in the first instance by a show of hands unless a poll by ballot be, on or before the declaration of the result of the show of hands, directed by the Chairman or demanded by at least 3 (three) Members entitled to vote.
- 10.3.2 A declaration by the Chairman that a resolution has been carried or not carried by a particular majority and an entry to that effect in the minute book of the Management Association, shall be conclusive evidence of the votes recorded in favour of or against such resolution. The demand for a poll by ballot may be withdrawn.
- 10.3.3 If a poll by ballot be directed or demanded, it shall be taken at such time and in such manner as the Chairman may decide.
- 10.3.4 No objections to the admission or rejection of any vote shall be taken except at the meeting or adjourned meeting at which the vote in dispute is given or tendered. The Chairman shall determine any such objection if made within due time. Such determination shall be final, conclusive and binding on all Members.

- 10.3.5 A poll by ballot demanded upon the question of adjournment shall be taken forthwith. Any business other than that upon which a poll ballot has been demanded, may be proceeded with pending the taking of the poll.

11 RIGHT OF FIRST REFUSAL IN FAVOUR OF SISA

- 11.1 SISA shall enjoy, in accordance with the following terms of this clause 11, a right of refusal in the event of a Member wishing to dispose of his or her Time-Share Interest in respect of any Module.
- 11.2 In the event that a Member ("**Selling Member**") wishes to dispose of any Time-Share Interest, he or she shall notify SISA in writing and furnish SISA with –
- 11.2.1 a copy of any written offer received by him or her from a third party which the Selling Member wishes to accept (even if this after the date on which the Selling Member first gives notice in terms of 11.1); or
- 11.2.2 details of the price that the Selling Member requires for the Time-Share Interest.
- 11.3 The delivery of the above notice ("the **Notice**") will constitute an irrevocable offer ("**Offer**") made by the Selling Member to SISA to sell the Time-Share Interest, at the price and on the other terms and conditions stipulated in the Notice, if any.
- 11.4 If SISA wishes to exercise its right to purchase the Time-Share Interest, it will give written notice of exercise to the Selling Member within a period of 30 (thirty) days after receipt of the Notice and pay the purchase price to the Selling Member within a period of 7 (seven) days thereafter.
- 11.5 If SISA does not exercise its said right and accept the Offer within the above 30 (thirty) day period, the Selling Member will be entitled to dispose of the Time-Share Interest –
- 11.5.1 to the proposed third party purchaser referred to in 11.2.1 at the price and on the terms contained in the offer, a copy of which was furnished to SISA; or
- 11.5.2 in the case referred to in 11.2.2, to any third party purchaser on terms and conditions no more favourable to the Selling Member than those offered to SISA in the Notice,

provided in either case that the Selling Member will not have the right to sell or

otherwise alienate the Time-Share Interest to any third party (other than SISA) without procuring that the party acquiring the Time-Share Interest (for purposes of this clause called the "**Second Purchaser**") grants SISA the same right of first refusal which in terms of this clause 11 is granted to SISA. The Second Purchaser shall grant the right of first refusal to SISA in the same document in which the Second Purchaser acquires the Time-Share Interest from the Selling Member and that agreement shall not be binding between the Selling Member and Second Purchaser unless and until SISA shall have signed it.

- 11.6 If the Selling Member does not conclude a valid and binding agreement of sale which subsequently becomes unconditional with a third party purchaser in terms of either 11.5.1 or 11.5.2 within a period of 60 (sixty) days after the date of delivery of the Notice, the Selling Member will not be entitled thereafter to sell the Time-Share Interest without first again having followed the procedure set out above. The Selling Member also, in that event, hereby appoints SISA as its agent to dispose of the Time-Share Interest to interested parties.
- 11.7 Should the Selling Member not have informed SISA of any change of his or her address chosen for purpose of notices to be given in terms of these Rules and as a result thereof should SISA exercise its right of first refusal by giving notice to the Selling Member's address last known to SISA, then such notice will be deemed to be proper notice in spite of the fact that it might not reach the Selling Member. Likewise, if payment is posted to such last known address it will be deemed to be proper payment in spite of the fact that the amount might not reach the Selling Member under the said circumstances.
- 11.8 As security for the retransfer to SISA by Members of their Time-Share Interests (in the event of SISA exercising its right of first refusal) each Member shall be required in his or her Time-Share Sale Agreement to cede his or her Time-Share Interest to SISA and forthwith to deliver the membership certificate in respect thereof to SISA, which certificate shall be held by SISA on behalf of the Member.
- 11.9 Each Time-Share Sale Agreement shall further record that it constitutes the necessary power of attorney and authorisation by the Member in favour of SISA to take all necessary steps and sign all necessary documentation in order to give effect to the transfer of the Member's Time-Share Interest in the event of SISA's right of first refusal being exercised as set out above in this clause.

- 11.10 If any Member fails to comply with the provisions of the proviso to clause 11.5, the Trustees will be entitled to withhold or refuse the rights of the membership of the Scheme by the Second or a subsequent purchaser or, if already bestowed, then to terminate that membership in terms of these Rules.
- 11.11 The Second Purchaser shall likewise not be entitled to sell or otherwise alienate the Time-Share Interest unless the party acquiring it (called the "**Subsequent Purchaser**"), includes the right of first refusal contemplated in this clause 11 in favour of SISA in the document in which it acquires the Time-Share Interest from the Second Purchaser and binds itself to the provisions thereof. Every successive party acquiring the Time-Share Interest shall also be bound to grant SISA a right of first refusal on the terms of this clause 11.

12 FORFEITURE, TERMINATION AND SUSPENSION OF MEMBERSHIP

12.1 Forfeiture

- 12.1.1 If a Member fails to pay any Levies on due date or fails to comply with any of his or her obligations in terms of these Rules and the Conduct Rules, he or she shall, after having received 30 (thirty) days' notice from the Management Association to remedy such defect, automatically forfeit his or her Membership without further notice.
- 12.1.2 In such case such a Member shall forfeit his or her Time-Share Interest and all the rights that go with it including, without limitation, forfeiture of any amounts of whatsoever nature paid to SISA and the Management Association, including the purchase price paid for his or her Time-Share Interest and any Levies paid.
- 12.1.3 Notwithstanding the foregoing, a Member shall remain liable for any Levies or other amounts due to the Management Association at the time of such forfeiture.

12.2 Termination and Suspension

A Member shall not conduct himself or herself in an unbecoming manner which, for the purposes hereof, shall include a breach of these Rules and the Conduct Rules. In the event of a Member so conducting himself or herself, the Trustees shall have the power to suspend or terminate such Member's Membership of the Management Association subject to the following –

- 12.2.1 the Member in question must be given written notice of the complaint against him or her;
- 12.2.2 such Member shall be entitled to a reasonable opportunity to meet the complaint brought against him;
- 12.2.3 subject to 12.2.4, the matter shall be heard by a quorum of the Trustees under the Chairmanship of the Chairman of the Trustees;
- 12.2.4 any Trustee who has any interest in the complaint shall be precluded from serving on the Committee for the purposes of judging such Member's conduct; and
- 12.2.5 the Trustees shall further be empowered to conduct the proceedings and to make such decision as they deem fit; and
- 12.2.6 the decision of the Trustees shall be final and binding on the Member and all Members affected thereby.

13 TRUSTEES

The affairs of the Management Association shall be controlled, administered and managed by Trustees, subject to the following –

13.1 Composition of Board of Trustees

The Trustees shall always comprise –

- 13.1.1 3 (three) representatives nominated from time to time by SISA; and
- 13.1.2 2 (two) further Trustees elected annually at the Annual General Meeting of the Management Association, each of whom shall be either –
 - 13.1.2.1 a Member; or
 - 13.1.2.2 the spouse, parent or child of a Member; or
 - 13.1.2.3 a director, trustee or similar office-bearer of a Member that is not a natural person; or
 - 13.1.2.4 a trustee or similar office bearer of any other time-share scheme established and/or managed and/or operated by Sun International Limited

or any of its subsidiaries or associated companies,

provided that until the first additional Trustees are elected in terms of clause 13.1.2, the SISA representatives shall act as the Trustees and shall co-opt 2 (two) additional Trustees from those persons qualifying for election in terms of clauses 13.1.2.1 to 13.1.2.4.

13.2 Proceedings of Trustees

- 13.2.1 A Chairman and Vice Chairman shall be elected by the Trustees at the Trustees' first meeting.
- 13.2.2 All matters shall be decided by simple majority and each Trustee shall have one vote, provided that if any of the Trustees nominated by SISA is not present at any meeting of Trustees, the remaining SISA nominee/s shall be, or between them shall be, entitled to exercise 3 (three) votes.
- 13.2.3 At all meetings of the Trustees the Chairman or, in his or her absence, the Vice Chairman shall chair the meeting.
- 13.2.4 In the absence of both the Chairman and the Vice Chairman, any other Trustee elected by the other Trustees present at such meeting shall chair the meeting.
- 13.2.5 At all meetings of the Trustees, 3 (three) Trustees shall constitute a quorum, provided that the presence of two of the Trustees nominated by SISA shall be required before a quorum is established.
- 13.2.6 Voting shall be by show of hands, or by secret ballot if so required by at least 2 (two) Trustees.
- 13.2.7 The Trustees shall meet at least once a year.
- 13.2.8 At least 7 (seven) days' notice of a meeting shall be given to all Trustees. Should a majority of the Trustees agree to accept short notice of a meeting, such meeting shall, subject to the requisite quorum in terms of clause 13.2.5, be deemed to be duly constituted.
- 13.2.9 A resolution in writing signed by all Trustees for the time being and inserted in the Trustees' minute book shall be effective for all purposes as a resolution of the Trustees passed at a meeting duly convened held and constituted. Any

such resolution may consist of several documents or like forms each signed by one or more of the Trustees.

- 13.2.10 Each of the SISA nominees is entitled to nominate an alternate in his or her capacity as Trustee.
- 13.2.11 A Trustee shall be entitled to reimbursement for expenses and a reasonable fee, provided that the majority of the Trustees so agree and provided that the SISA nominees are not entitled to any reimbursement for expenses or fees whatsoever.

13.3 **Trustees' Interests**

- 13.3.1 Subject to clause 13.3.2, a Trustee may enter into or have an interest in any contract or arrangement for or with the Management Association.
- 13.3.2 A Trustee who in any way has an interest in a contract or proposed contract or arrangement which has been or is to be entered into with the Management Association, shall immediately declare the nature and extent of his or her interest in writing to the other Trustees before such contract is entered into.
- 13.3.3 The SISA nominees in their capacities as representatives of SISA are deemed to have declared their interest in the Management Agreement.

13.4 **Powers and Duties of Trustees**

The Trustees shall have all such powers as enjoyed by the Management Association, and such powers as are specifically granted them by these Rules. Without in any way affecting the generality of the foregoing, the Trustees shall have the following additional powers –

- 13.4.1 to cede and/or assign and/or delegate any of their rights, powers and duties to the Managing Agent upon such terms and conditions as the Trustees may decide;
- 13.4.2 to issue Membership Certificates signed by the Managing Agent;
- 13.4.3 to annually prepare the Roster;
- 13.4.4 to refuse Membership to any prospective Member in circumstances where such transfer would, in the opinion of the Trustees, cause the limitation

contemplated in clause 9.2 to be exceeded; and

- 13.4.5 if at any time the Trustees ascertain that any person, including a corporate body, club, management association, scheme or trust has acquired a Time-Share Interest which the Trustees, in their sole discretion, decide is not in the interests of the Management Association, the Trustees shall be entitled to cancel such Membership without giving reasons therefore and to refund all amounts paid by such person.

14 MANAGING AGENT

It is recorded that the Trustees have appointed SISA as the Managing Agent in terms of the Management Agreement.

15 MANAGEMENT AGREEMENT

- 15.1 The Management Association has, pursuant to the appointment referred to in clause 14, entered into a Management Agreement with SISA in accordance with the provisions of the Act.
- 15.2 Such Management Agreement is available for inspection by a Member upon notice to the Management Association.
- 15.3 The following are the material terms of the Management Agreement –
- 15.3.1 The agreement commences on 16 November 2013 and endures until dissolution of the Management Association.
- 15.3.2 SISA shall manage, control and administer the affairs of the Management Association, the Accommodation, the Roster and the Movable and maintain the Property and the amenities on the Property at its expense, and generally carry out the obligations of the Management Association and/or the Trustees in terms of these Rules.
- 15.3.3 SISA, in its capacity as Managing Agent, shall for the first financial year of the Scheme estimate the Operating Costs of the Management Association and the Asset Replacement Costs. Such estimates shall be final and binding on the Management Association for that year and together shall comprise the annual Levy.
- 15.3.4 The Levy for the first year of the Management Association has been fixed as

set out in the Management Agreement and such Levy shall, with effect from the year commencing 1 July 2014, be adjusted annually in accordance with the terms of the Management Agreement.

- 15.3.5 The annual adjustment of the various components comprising the Levy will be determined as follows –
- 15.3.5.1 operating costs will be escalated in accordance with the increase in the Consumer Price Index ("**CPI**"), as defined in the Management Agreement, during the preceding period of 12 (twelve) months;
 - 15.3.5.2 personnel costs will be escalated by a factor equal to the percentage increase in the statutory wages payable to employees and/or wages agreed with the relevant trades union from time to time;
 - 15.3.5.3 utility, security and transport costs will be individually adjusted in line with actual cost increases incurred by SISA in respect of the Hotel during the preceding period of 12 (twelve) months; and
 - 15.3.5.4 management fees will be escalated at the same rate as the operating costs referred to in clause 15.3.5.1.
- 15.3.6 It is recorded that SISA will, at its own cost, procure all such insurance as it may consider necessary in respect of the Apartments and the Movables for the duration of the Scheme.

16 DURATION AND DISSOLUTION OF ASSOCIATION

- 16.1 Subject to clause 16.3, the Management Association shall endure for so long as there are Members holding Time-Share Interests in respect of Modules in the Scheme.
- 16.2 Notwithstanding clause 16.1, it is recorded that the Scheme shall terminate and the Management Association shall be dissolved if the Management Agreement is terminated and, more particularly, if the Members exercise their rights to cancel the Management Agreement in terms of law.
- 16.3 Should the Management Association be dissolved –
- 16.3.1 SISA shall pay each Member a *pro rata* refund of his or her purchase price, without interest, based on the future un-utilisable periods; and

- 16.3.2 the Management Association shall give or transfer its assets remaining after satisfaction of its liabilities to some other society, company or management association with objects similar to those of the Management Association, which society, company or Management Association is itself exempt from income tax in terms of section 10(1)(e) of the Income Tax Act, No 58 of 1962.

17 ACCOUNTS

- 17.1 The Trustees shall cause proper books of account, being such books of account as are necessary to fairly present the state of the Management Association's affairs and to explain its transactions, to be kept in regard to –
- 17.1.1 all Levies and other amounts, if any, received from Members; and
 - 17.1.2 all monies received in respect of the amounts which make up the Asset Replacement Costs; and
 - 17.1.3 subject to the foregoing, the assets and liabilities of the Management Association.
- 17.2 The books of account shall be kept at the offices of the Management Association or the Auditors, as the case may be, or at such other place as the Trustees may from time to time determine, and shall be open for the inspection by the Members at all reasonable times.
- 17.3 Subject to, and in terms of, clause 17.1, the Management Association shall from time to time cause to be laid before the Management Association at the Annual General Meeting a statement in terms of 17.1.1 and 17.1.2 and a statement of assets and liabilities in terms of 17.1.3 for the previous year.
- 17.4 An auditor qualified to act as such under the Auditing Profession Act, No 26 of 2005 shall be appointed annually.
- 17.5 The Management Association shall further –
- 17.5.1 keep an up to date record of all Time-Share Interests acquired; and
 - 17.5.2 keep an updated record of the names and addresses of all Members.

18 INDEMNITY

- 18.1 Every employee of the Management Association, as well as each Trustee, Managing Agent, auditor, secretary and other officer for the time being of the Management Association shall be indemnified out of the assets of the Management Association against any liability incurred by him or her arising out of his or her aforesaid office in defending any proceedings, whether civil or criminal, on which judgment is given in his or her favour or in which he or she is acquitted.
- 18.2 The Management Association's liability pursuant to such indemnity shall only extend to such amount which the Management Association may recover from its insurers or such amount as the Trustees in their discretion may decide.

19 AMENDMENT OF THE RULES

- 19.1 Subject to clauses 19.2 and 19.4, the provisions of these Rules may only be amended by a 2/3 (two thirds) majority of votes of Members, present in person or by proxy, at a Special General Meeting called specifically for such purpose.
- 19.2 A notice of such meeting shall set out in specific terms the proposed amendment to the Rules.
- 19.3 The following provisions of these Rules may only be amended with the consent of SISA, namely clauses 3, 5, 6.2, 6.4, 8, 9.15, 13.1, 13.2.2, 13.2.5, 13.4.3, 16 and 19, provided that the provisions of clause 26.2.2 shall not apply to such consent.
- 19.4 The Management Agreement may only be amended with the consent of SISA and in regard to such consent, the provisions of clause 26.2.2 shall not apply.
- 19.5 Any amendments to these Rules of the Management Association shall be submitted to the Commissioner for Inland Revenue for his or her information or approval as the case may be, provided that if any amendment is so required by the Commissioner for Inland Revenue such amendment shall be effected without the necessity of following the procedures set out in the preceding sub-clauses of this clause.

20 FUTURE EXTENSION OF SCHEME

- 20.1 SISA may from time to time propose the extension of the Scheme to include

further accommodation and facilities at Sun City or other resorts owned and/or managed by it, whether in South Africa or elsewhere.

- 20.2 Any such proposal, including the proposed amendments to these Rules necessary to provide for the inclusion of other accommodation, will be submitted to Members at a Special General Meeting called for that purpose and acceptance thereof shall require a majority of 2/3 (two thirds) of the votes of Members, present in person or by proxy, as contemplated in clause 19.1 and the approval of the Commissioner for Inland Revenue to the extent contemplated in clause 19.5.

21 DISPUTE RESOLUTION

- 21.1 Any dispute arising out of or in connection with these Rules, except where an interdict is sought or urgent relief may be obtained from a Court of competent jurisdiction, must be determined in terms of this clause. For the purposes hereof, "urgent relief" is the relief in respect of which an advocate shall have issued a certificate of urgency acceptable to any Court.
- 21.2 If a dispute arises, the relevant party must notify the other party/ies to such dispute. Should the dispute not be resolved between the parties within 14 (fourteen) days of such notice, or such extended period as the Trustees may decide, either of the parties may refer the dispute for determination in terms of clause 21.3.
- 21.3 If a party exercises his or her right in terms of clause 21.2 to refer the dispute for determination, such dispute shall be referred to –
- 21.3.1 a practising chartered accountant of not less than 10 (ten) years standing qualified to act as such under the Auditing Profession Act, No 26 of 2005; or
 - 21.3.2 an advocate practising in Johannesburg of not less than 10 (ten) years standing; or
 - 21.3.3 an attorney practising in Johannesburg of not less than 10 (ten) years standing,

agreed upon between the parties to the dispute or, where the parties are unable to agree within a period of 5 (five) days after they have been requested to do so, nominated by the Trustees.

- 21.4 Subject to clause 21.3.3, any person agreed upon or nominated as aforesaid (the "**Expert**") shall in all respects act as an expert and not as an arbitrator.
- 21.5 Subject to clause 21.6, the Expert shall be bound to follow the general principles of South African law. A Party may be represented.
- 21.6 The Expert shall be vested with the entire discretion as to the procedure and manner to be followed in arriving at his or her decision. The Expert shall not be bound by the principles of South African law regarding procedure and evidence.
- 21.7 The Expert shall, upon being appointed, notify the parties of the manner in which he or she intends determining the dispute, including as regards procedure and evidence. He or she shall invite the parties or their representatives to make submissions to him in such regard. The Expert's decision in this regard shall then be final.
- 21.8 The parties shall endeavour to the best of their ability to procure that the decision of the Expert shall be given as soon as is possible after notice in terms of clause 21.3.
- 21.9 The Expert's decision (including as to the liability of any party to pay his or her costs) shall be final and binding on all the parties affected in any manner thereby.
- 21.10 The provisions of this clause –
- 21.10.1 will for all purposes be deemed to constitute the irrevocable consent by the parties to any proceedings in terms thereof and none of the parties shall be entitled to withdraw therefrom or claim at any such proceedings that he or she is not bound by such provisions; and
- 21.10.2 are severable from the rest of these Rules and shall remain in effect even if the Management Association is dissolved for any reason whatsoever.
- 21.11 The advocate or attorney appointed in terms of 21.3 shall, subject to the approval of the Trustees, be entitled to appoint any other person as the Expert, if he or she is of the opinion that such person is better qualified to determine the dispute. In such event such appointee shall be the Expert for the purposes of this clause.

22 **DAMAGE OR DESTRUCTION**

- 22.1 If the Accommodation is in part or in whole damaged or destroyed, SISA shall

have the discretion whether to rebuild the Accommodation or terminate the Scheme.

22.2 In the case of rebuilding, SISA shall only be obliged to expend such amount as it recovers from its insurers.

22.3 In the event that SISA does not elect to rebuild the Accommodation and the Scheme terminates as a result thereof, SISA shall repay each Member a *pro rata* portion of his or her purchase price, without interest, based on the future un-utilisable periods.

23 NOTICES AND DOMICILIA

23.1 The domicile addresses of SISA and each of the Members are as follows –

23.1.1 SISA

Physical:	27 Fredman Drive Sandown SANDTON, 2196
Postal:	Private Bag 700 SANDTON, 2146
Fax:	+27 (0)11 780 7359

unless SISA shall have notified the Members to the contrary.

23.1.2 Each Member

The Member's address as submitted to SISA in the agreement of sale in terms of which he or she acquired the Time-Share Interest and includes such other address as the Member may from time to time notify SISA in writing.

These addresses (which must be addresses situate within the Republic of South Africa) shall be deemed to be the addresses chosen by the Member and SISA for all purposes of these Rules, including all notices, and also constitute the Member's and SISA's *domicilia citandi at executandi* in terms of law.

23.2 All notices to be given in terms of these Rules must be given in writing and be forwarded by post or delivered by hand or sent by telefax, and not by way of email, to the respective domicile addresses of SISA and/or Members referred to above.

23.3 Any notice –

23.3.1 forwarded by post, will be presumed to have been received on the 7th (seventh) day after posting in South Africa excluding the day on which it is posted;

23.3.2 delivered by hand during business hours, will be presumed to have been received on the date of delivery. Any notice delivered after business hours or on a day which is not a business day will be presumed to have been received on the following business day; and

23.3.3 sent by telefax during business hours, will be presumed to have been received on the date of successful transmission of the telefax. Any telefax sent after business hours or on a day which is not a business day will be presumed to have been received on the following business day.

23.4 Notwithstanding the above, any notice given in writing, and actually received by SISA or the Member concerned to whom it is addressed, will be deemed to have been properly given and received, notwithstanding that such notice has not been given in accordance with this clause 23.

24 **ADOPTION**

It is recorded that these Rules were adopted by resolution of the board of directors of SISA passed on 15 November 2013.

25 **APPLICABLE LAW AND JURISDICTION**

25.1 These Rules will in all respects be governed by and construed under the laws of the Republic of South Africa.

25.2 Subject to clause 21, the Members and SISA are bound to submit to the non-exclusive jurisdiction of the High Court of South Africa, Gauteng Division, (Johannesburg) in any dispute arising from or in connection with these Rules.

26 **GENERAL**

26.1 **Joint and Several Liability**

If more than one person holds a Time-Share Interest, such persons are jointly and severally liable *in solidum* for all obligations arising from the Time-Share

Interest in terms of these Rules.

26.2 **Consents**

If any consent or approval is required for any act by SISA or a Member, or any act is to be to the satisfaction of SISA or a Member, such consent or approval, or expression of satisfaction shall –

- 26.2.1 be in writing and signed by the person from whom it is sought or his or her authorised agent;
- 26.2.2 not be unreasonably withheld; and
- 26.2.3 in the case of a consent or approval, be given prior to SISA or a Member taking the action for which such consent or approval is required.

26.3 **Provisions Severable**

All provisions and the various clauses of these Rules are, notwithstanding the manner in which they have been grouped together or linked grammatically, severable from each other. Any provision or clause of these Rules which is or becomes unenforceable in any jurisdiction, whether due to voidness, invalidity, illegality, unlawfulness or for any other reason whatever, shall, in such jurisdiction only and only to the extent that it is so unenforceable, be treated as *pro non scripto* and the remaining provisions and clauses of these Rules shall remain of full force and effect.

PLAN OF BUILDINGS SHOWING THE ACCOMMODATION

