



CONTRACT OF SALE: BOULEVARD SUITES

entered into by:

Zimbali Resort Developments Joint Venture Partnership, between Zimbali Land Developments (Pty) Ltd (Reg. No: 1996/016290/07) and Zimbali Hotels & Resorts South Africa (Pty) Ltd (Reg. No: 2003/023856/07)

Physical Address: Zimbali Northgate Suites, Zimbali Coastal Resort, KwaZulu-Natal, South Africa

(the "SELLER")

and

DETAILS TO BE INSERTED IN RIGHT COLUMN

Full Name of PURCHASER	
Identity Number / Registration Number	
Physical Address	
Postal Address	
Telephone Number (Home)	
Telephone Number (Business)	
Cellular Telephone Number	
E-Mail Address	
Marital Status (If an individual)	

(the "PURCHASER")

SECTIONAL TITLE PROPERTY DETAIL AND ANCILLARY INFORMATION SCHEDULE

1.1 Proposed SECTION / UNIT Number	
1.2 Approximate Extent in Square Metres	
1.3 Purchase Price (VAT included) [The aggregate of 1.4, 1.5 and 1.6 below]	R
1.4 First Payment due within 7 days of signature [Including pre-emptive consideration paid]	R
1.5 Second Payment details:	R
	<div style="border: 1px solid black; padding: 5px; display: inline-block;">Date due by:</div>
1.6 Balance to be paid in terms of 3.2 below	R
1.7 Amount of mortgage finance required	R

1.8 Estimated Monthly Levy payable by PURCHASER to the ASSOCIATION	R30.00 (Thirty Rand) per square metre per month [Refer Annexure A, clauses 9.1 and 20.4]
1.9 Estimated Annual Levy payable by PURCHASER to the ZLR	R10 000.00 p.a. per bachelor or one bedroom UNIT; [Refer Annexure A 9.3 & 20.2]
1.10 Resale contribution payable by PURCHASER to the ZLR	2% of UNIT resale price [Refer Annexure A, clause 19.2]
1.11 Expected Completion Date Subject to Annexure A Clause 4	December 2019
1.12 DATE OF POSSESSION Subject to Annexure A Clauses 3 & 4	On Completion Date
1.13 Occupational Rental	1% of the Purchase Price payable monthly in advance
1.14 Permitted Use	Residential
1.15 Agency	EIFA Zimbali Proprietary Limited t/a KW Ignite
1.16 Commission payable by SELLER	3% of Purchase Price
1.17 ZSC Joining Fees and Subscriptions	Determined in Annexure A Clause 34.2
1.18 Exclusive Use Areas (if any)	None

CONTRACT OF SALE

1 INTRODUCTION

- 1.1 The SELLER intends erecting a mixed use development consisting of Hotel Suite Units, Residential Units, Retail and Commercial facilities and Vacation Club Recreational Units to be known as **BOULEVARD SUITES** and applying in terms of the provisions of the Sectional Titles Act No. 95 of 1986, or any amendment thereof, for the opening of a sectional title register in respect of that portion of the development situate on the PROPERTY. The development will be phased and the date of commencement of construction is scheduled for July 2018.
- 1.2 The SELLER has agreed to sell and the PURCHASER has agreed to buy the UNIT on the terms and conditions as set out herein.

2 SALE

- 2.1 Subject to and in accordance with the provisions hereof and the CONDITIONS OF SALE annexed hereto as **Annexure "A"**, the SELLER sells and the PURCHASER purchases the UNIT.
- 2.2 The PURCHASER agrees that the precise area, boundaries and description of the UNIT shall be as shown on the sectional plan and as finally determined and approved and numbered by the Surveyor-General and/or the relevant competent authorities and shall be binding upon the parties, provided always that the area of the SECTION shall be within 10% (TEN PERCENT) of the area as stated in 1.2 of the SCHEDULE. Any excess over the said 10% variance will result in an adjustment in the Purchase Price upwards pro-rata to the total area of the UNIT in relation to the Purchase Price. If the size of the UNIT is less than the 10% variance then there shall be no compensation payable by the SELLER but the PURCHASER shall have the right within THIRTY (30) days of DATE OF OCCUPATION to cancel this agreement and obtain a full refund of the Purchase Price less costs.

3 PREPAYMENTS AND GUARANTEES

- 3.1 The amount referred to in 1.4 (less any pre-emptive consideration paid) and 1.5 of the CONTRACT OF SALE shall be paid to the CONVEYANCERS. Such payment shall be invested by the CONVEYANCERS, all interest to accrue for the benefit of the PURCHASER until the DATE OF TRANSFER whereupon the CONVEYANCERS shall release the capital to the SELLER and all accrued interest, less administration charges, to the PURCHASER. (The PURCHASER acknowledges that the CONVEYANCERS are not able to invest the aforesaid deposit, nor any other amount paid into trust with the CONVEYANCERS, on the PURCHASER'S behalf, until such time as the PURCHASER has complied with all the requirements of the Financial Intelligence Centre Act No 38 of 2001 and has signed the necessary investment mandate and FATCA forms all of which the PURCHASER undertakes to do as soon as reasonably practical in the circumstances).
- 3.2 The PURCHASER shall secure the due payment of the amount referred to in 1.6 of the CONTRACT OF SALE by furnishing the CONVEYANCERS with a guarantee from a registered South African commercial bank, in a form and on terms acceptable to the CONVEYANCERS for such amount. The guarantee will be expressed to be payable on the DATE OF TRANSFER.
- 3.3 The guarantee referred to in 3.2 above shall be furnished by the PURCHASER within 7 (SEVEN) days after request therefor by the CONVEYANCERS.
- 3.4 It is recorded that the Purchase Price referred to in paragraph 1.3 of the CONTRACT OF SALE is inclusive of Value Added Tax at the current rate of 14% (FOURTEEN PERCENT). The parties agree that, should there be any change in the rate, Value Added Tax applicable at the time of supply, as determined in accordance with the Value Added Tax Act No 89 of 1991, that the Purchase Price shall be amended to take into account the adjustment and the Value Added Tax rate.
- 3.5 Unless otherwise provided, all payments hereunder shall be made without set-off, deduction or demand to the SELLER at the offices of the CONVEYANCERS. All bank charges incurred by the CONVEYANCERS in connection with this transaction shall be for the account of the PURCHASER.

4 PHASED DEVELOPMENT

- This sale is subject to the following special conditions, which will be imposed by the SELLER in terms of Section 11(2) of the ACT:
- 4.1 The SELLER in terms of Section 25 of the ACT hereby reserves for itself the real right to extend, for its personal account, the SCHEME by the erection and completion from time to time but within a period of TWENTY (20) years and in phases:-
- 4.1.1 a further building or buildings, or
- 4.1.2 a horizontal extension of an existing building, or
- 4.1.3 a vertical extension of an existing building;
- on part of the COMMON PROPERTY as outlined on the SITE PLAN, **Annexure "C"** to this CONTRACT, to divide such building or buildings into a section or sections and COMMON PROPERTY and to confer the right of exclusive use over parts of such COMMON PROPERTY upon the owner or owners of one or more of such sections or any other section in the SCHEME.

- 4.2 The SELLER further reserves the right to "separate" the real right to extend the SCHEME by alienating the right to erect the various individual sections to different third parties.
- 4.3 The SELLER shall be entitled to make amendments to the SITE PLAN and the layout of the SCHEME, prior to opening the sectional title register of the SCHEME so as to enable it to utilise the maximum bulk allowed on the PROPERTY in terms of the KwaDukuza Town Planning Scheme.
- 4.4 In addition, the DEVELOPER shall have the right to include any subdivisions of the PROPERTY referred to in clause 1.27 of Annexure "A" into one scheme to be managed and controlled by the ASSOCIATION.

5 SALE CONDITIONAL UPON MEMBERSHIP

- 5.1 The PURCHASER shall be obliged to become at least a Silver Member of the Zimbali Sports Club, being a commercial facility owned and managed by the Seller. The PURCHASER shall pay the club joining fee in force from time to time together with the annual subscription levied from time to time.
- 5.2 The PURCHASER shall be obliged to accept the UNIT subject to a condition registered against the UNIT to the effect that the UNIT, shall not be alienated or otherwise dealt with without the prior written consent of the ASSOCIATION and the ZLR first being had and obtained, provided that the ZLR shall grant the aforesaid consent in the event of the Transferor having complied with all its obligations to the ZLR and the Zimbali Sports Club (and in no way detracting from the generality of the aforesaid, the Transferor having paid all amounts due to the aforesaid Club) and the Transferee undertaking to become at least a Silver Member of the aforesaid Club.

6 LEASING AND LEVIES

- 6.1 The following special provisions shall apply to the UNIT purchased in terms hereof and if any differences in interpretation arises between the provisions of Annexure "A" and this clause 6 then this clause 6 shall prevail.
- 6.2 If the PURCHASER wishes to let the UNIT for a period of less than thirty (30) days then the PURCHASER may only do so through the HOTEL Reservation services and must first furnish same to the standard required by the HOTEL OPERATOR or MANAGER so as to maintain the HOTEL OPERATOR STANDARD and shall maintain such furnishings including necessary replacements so as to retain such standard.
- 6.3 The PURCHASER may let the UNIT for continuous periods of thirty (30) days or more but if the PURCHASER elects to utilise the HOTEL Reservation services in respect of those rentals then the provisions of clause 6.2 shall apply. The UNIT may only be let upon the terms and conditions of the SELLER'S Standard Rental Program in force from time to time.
- 6.4 The HOTEL OPERATOR or MANAGER may impose such RULES and regulations regarding the conduct of owners and guests or their invitees regarding the use of the UNIT and the hospitality areas of the HOTEL so as to maintain the HOTEL to the HOTEL OPERATOR STANDARD.
- 6.5 In addition the HOTEL OPERATOR will impose a levy on all UNITS owners for administration of common areas and services and charges (levies, daily usage fee and the like) in respect of the use by the owner of the UNIT, such fee based on the cost of all consumables, housekeeping services levies and the like supplied in respect of the UNIT and form part of the levies due to the ASSOCIATION or the HOTEL if such services are provided by the HOTEL.

7 RIGHT TO CANCELLATION: DIRECT MARKETING

- 7.1 Pursuant to the provisions of Section 16 of the Consumer Protection Act, should this Agreement be the result of direct marketing efforts by the SELLER or his agents, the PURCHASER has the right, within 5 (Five) business days after concluding this Agreement or 5 (Five) business days after delivery to him of the UNIT, as the case might be, to cancel this Agreement without reason or penalty by written notice to the SELLER.
- 7.2 The SELLER is unable to accept the risk of such cancellation without reason or penalty, as it could have sold the UNIT to another prospective purchaser during the period between the conclusion of the Agreement and the cancellation thereof. In addition, cancellation after delivery of the UNIT will result in the SELLER having to carry the holding cost of the UNIT for an undetermined period whilst marketing same to new purchasers. This has the potential to result in significant losses for the SELLER.
- 7.3 In the premises, the SELLER is not prepared to enter into any Agreement with any purchaser that might have been the result of direct marketing.
- 7.4 The PURCHASER accordingly warrants that this transaction has not resulted from direct marketing and the SELLER enters into this Agreement relying entirely on such warranty.
- 7.5 Should the PURCHASER be successful, pursuant to the direct marketing provisions of the Consumer Protection Act, in cancelling this Agreement after delivery of the UNIT, the PURCHASER shall be liable for the damages suffered by the SELLER as a result of the breach of such warranty.

8 CONSUMER PROTECTION ACT

- After due consideration, and by his signature hereto, the PURCHASER or his representative, as the case might be, hereby acknowledge and record that:-
- 8.1 he has entered into this Agreement freely and of his own accord and that no circumstance exists that would entitle him to allege, now or in future, that he was at a disadvantage or unequal bargaining position to the SELLER in negotiating and concluding the terms and conditions contained in this Agreement;
- 8.2 he has done his own investigations with respect to whether or not to enter into this Agreement and that he has done so without any undue influence, pressure, duress, harassment or unfair tactics from the SELLER;
- 8.3 he understands the content, significance and import of the terms of this Agreement without undue effort, having regard to:-
- 8.3.1 the context, comprehensiveness and consistency of the Agreement;
- 8.3.2 the organization, form and style of the Agreement;
- 8.3.3 the vocabulary, use of language and sentence structure of the Agreement;
- 8.3.4 the use of illustrations, headings, examples or other aids to reading and understanding the Agreement.
- 8.4 If the PURCHASER, is a JURISTIC PERSON, it hereby warrants to the SELLER that its asset value or annual turnover, at the DATE OF SIGNATURE and the DATE OF CESSION, shall equal or exceed the threshold determined by the Minister in terms of Section 6 of the CPA (namely, R2,000,000.00 (TWO MILLION RAND)) and, as a consequence, the sale of the UNIT to the PURCHASER in terms of this CONTRACT, is exempt from the provisions of the CPA (save for the provisions of Sections 60 and 61 of the CPA).
- 8.5 It is recorded that the aforesaid warranty is material to the SELLER in entering into this CONTRACT.
- 8.6 The PURCHASER undertakes, within 7 (SEVEN) days of being requested to do so by the SELLER, to furnish the SELLER with its last audited financial accounts or its Auditors written confirmation, and such other financial information in respect to the PURCHASER as the SELLER may reasonably require, in order to confirm the PURCHASER'S asset value and/or turnover is as warranted in paragraph 8.1 above.

9 CONDITION PRECEDENT

- 9.1 Save for the provisions of this clause 9 and those clauses in this AGREEMENT and the CONDITIONS OF SALE (**Annexure A** hereto) which shall by necessity be of immediate force and effect, this Agreement is subject to the conditions precedent that:-
- 9.1.1 all competent authorities approve the re-zoning of the land comprising BOULEVARD substantially in accordance with the subdivisions as depicted on the proposed plan of subdivision attached as **Annexure "C"** hereto; and
- 9.1.2 the SELLER achieves sufficient pre-sales, the number and value of which is to be determined at the SELLER'S sole discretion, before the development can commence.
- 9.2 In the event that the conditions precedent recorded in 9.1 are not fulfilled on or before 30 November 2018 or within such extended period as the SELLER in its sole discretion may determine by written notice thereof to the PURCHASER, either party shall be entitled to give written notice to the other party advising that should the outstanding condition precedent/s not be fulfilled within 7 (seven) days of date of receipt by the addressee of such notice, the party giving such notice will rescile from this Agreement.
- 9.3 Should either party exercise its right to rescile from this Agreement in accordance with the provisions of clause 9.2 of this Agreement, save for the provisions of the clauses referred to in clause 9.1 above, this Agreement shall be cancelled and be of no further force or effect in which event neither party shall have any claim against the other save that the PURCHASER shall be entitled to be refunded the deposit and any other funds paid in anticipation of taking transfer of the PROPERTY, together with interest earned thereon.

9.3 Notwithstanding the aforesaid, it is recorded that, the aforesaid condition has been inserted solely for the benefit of the SELLER, who may waive compliance with the aforesaid condition prior to this CONTRACT lapsing as a consequence of any non-fulfilment.

10 ACCEPTANCE

By its signature hereto the SELLER accepts the benefits conferred upon the ASSOCIATION, the CLUB and the DEVELOPER.

Signed by the PURCHASER at _____ this _____ day of _____ 20_____.

AS WITNESS:

Witness signature:	Purchaser signature:
	PURCHASER: I acknowledge that I am acquainted with the contents of this CONTRACT and that all the annexures referred to in this CONTRACT were attached hereto when I signed same. I moreover acknowledge that the Constitutions of the Boulevard, Zimbali Lakes Owners Association and Zimbali Lakes Resort Management Association, as well as the Rules and Regulations applicable to Zimbali Sports Club, are available on the website of Zimbali Lakes Resort and that I have acquainted myself with all these documents.
	Consenting spouse signature:
	CONSENTING SPOUSE

This portion to be additionally completed and signed by parent / legal guardian / member / director / trustee in the event of the PURCHASER being a minor / close corporation / company / trust.

I, the undersigned,

Full Name of Representative	
Identity Number	
Physical Address	
Postal Address	
Contact Telephone / Cellular Telephone Number	

hereby consents to the conclusion of this CONTRACT and guarantees and binds himself as surety for and co-principal debtor in *solidum* with the PURCHASER to the SELLER for the due and punctual fulfilment and discharge of all the conditions and obligations undertaken by the PURCHASER to the SELLER pursuant to this CONTRACT, under renunciation of the benefits of excussion and division with the meaning and effect of which benefits and the renunciation thereof he acknowledges himself to be acquainted. No variation or amendment or novation of the CONTRACT shall prejudice the suretyship obligations hereby undertaken by the undersigned guarantor, the object being that the undersigned guarantor will at all times be liable as surety and co-principle debtor, even if the CONTRACT is varied or amended or novated and even if the PURCHASER is granted an indulgence by the SELLER.

Signed by the Guarantor at _____ this _____ day of _____ 20_____.

AS WITNESS:

Witness signature:	Guarantor signature:
	Guarantor name:

Signed by the Seller at _____ this _____ day of _____ 20_____.

AS WITNESS:

Witness signature:	Seller signature:
	SELLER Zimbali Resort Developments Joint Venture Partnership