



Terms & Conditions to Acquisition Agreement



CLUB RESORTS INTERNATIONAL

TERMS AND CONDITIONS OF ACQUISITION

1. DEFINITION

In these Terms and Conditions, unless otherwise provided or the context requires otherwise

- 1.1 words or expressions used herein and defined in the Articles of Association shall have the meanings ascribed thereto in the Index;
- 1.2 words or expressions
 - 1.2.1 importing the singular shall include the plural and vice versa;
 - 1.2.2 importing one gender shall include the other;
 - 1.2.3 denoting natural persons shall include legal persons and vice versa;
- 1.3 headings are used for convenience only and shall not affect the interpretation or construction of the clauses;
- 1.4 "Multifin" means TLC Multifin (Pty) Ltd, registration number 91/01073/07, of The Waverley, 2nd Floor, Zone 26, Weymouth Road, Mowbray, 7700, P.O. Box 13093, Mowbray, 7705.

2. INTRODUCTION

- 2.1 The Vendor Company has been licenced to conduct the Points Scheme in accordance with the Scheme Regulations, and to cede and sell Point Rights in the Scheme to Members;
- 2.2 The Trust has been constituted to be the registered holder of Title to Units, and to be the holder of Use Rights in respect of Accommodation or timeshare interests in Accommodation in respect of which the Title remains vested in any Purchaser;
- 2.3 The relationship between the Purchaser and the Vendor Company shall be governed by the terms and conditions contained in or referred to in the Acquisition Agreement and these Terms and Conditions of Acquisition.

3. RIGHTS & OBLIGATIONS

The PURCHASER

- 3.1 shall pay the Purchase Price with interest punctually and without deduction, demand or set off
 - 3.1.1 in the case of a cash terms transaction, in the manner set forth in Schedule 1;
 - 3.1.2 if in instalments, punctually on the due date/s of each instalment and in full by not later than the date specified in Schedule 1 as being the due date of final payment;

to Multifin for the account of the Vendor Company at its address stated above or as otherwise directed by the Vendor Company in writing;

 - 3.1.3 acknowledges that any monies not paid directly to Multifin for the account of the Vendor Company will not be afforded the security of the Multifin trust account;
- 3.2 shall be entitled to anticipate payment of the whole or any part of the Purchase Price;
- 3.3 shall, subject to his continued compliance with all the terms and conditions of this Agreement, be entitled to all rights and benefits accruing to the holders of Point Rights;
- 3.4 shall, in exercising the Occupancy Rights
 - 3.4.1 comply with the provisions of this Acquisition Agreement;
 - 3.4.2 comply with the provisions of the Memorandum and Articles of Association and Scheme Regulations;
 - 3.4.3 exercise reasonable care in the use of the Accommodation or any facilities in the Resort;
 - 3.4.4 for the duration of the Time Module be solely responsible for any risk of loss or damage to the Accommodation or any part of the Resort in which he exercises Occupancy Rights;
- 3.5 shall be responsible to pay any levies levied in terms of the Articles of Association;
- 3.6 shall not alienate the Point Rights other than as prescribed in the Articles of Association;
- 3.7 hereby irrevocably (subject only to any prior rights thereto of the Association or in terms of a loan finance agreement entered into pursuant to clause 4 of these Terms and Conditions) and as security for the punctual fulfilment by him of all of his obligations arising from this Agreement
 - 3.7.1 cedes, assigns and pledges to the Vendor Company his right, title and interest in and to the Point Rights hereby acquired, suspended for so long as the Purchaser duly complies with his obligations in terms of this Acquisition Agreement;
 - 3.7.2 constitutes and appoints the Vendor Company as agent in his stead to sign and execute on his behalf any instrument, including any cession or assignment requisite at law to give effect to the provisions of clause 3.7.1 and to transfer ownership of the Point Rights to the Vendor Company or to any other person consequent upon a breach of this Acquisition Agreement by him;
- 3.8 consents to use by others of the Accommodation in accordance with the Articles of Association;
- 3.9 consents and agrees to be bound by any alienation of the Vendor Company's rights in terms of this Acquisition Agreement, the Scheme Regulations or the Articles of Association, whether in part or as a whole;

- 3.10 acknowledges and accepts that the Scheme Rights vest exclusively in the Intellectual Property Owner;
- 3.11 acknowledges and accepts that he becomes an indirect beneficiary of the Trust by virtue of his membership of the Association;
- 3.12 chooses the address stated in this Acquisition Agreement as his domicilium citandi et executandi for the purposes of service of any notice and any legal process issued pursuant hereto;
- 3.13 shall, in addition to the Purchase Price, bear the cost of any stamp duties (in accordance with the tariff prescribed by the Stamp Duties Act 77 of 1968, as amended) and the cost of any taxes or fiscal impositions (including, but without limitation, Value Added Tax) arising from the conclusion of this Agreement and giving effect to the provisions of clause 3.7 of these Terms and Conditions;
- 3.14 agrees to adhere to the applicable terms and conditions arising from any exchange programme to which the Scheme may be affiliated from time to time.
- 3.15 is entitled to terminate this agreement within 5 (five) calendar days (including weekend and public holidays) of the date of signature of the agreement by the Purchaser, exclusive of the day of signature. Such notice of termination by the Purchaser must be conveyed in writing and received by the Vendor Company, and not the Agent or Agency making the sale, within the 5 (five) day period, at the address reflected on the Acquisition Agreement. Receipt of facsimiles, telexes, telegrams or phonograms by the Vendor Company and not the Agent or Agency making the sale, within the stipulated period shall be deemed to be in compliance herewith. The Vendor Company's facsimile number is as specified on the Acquisition Agreement. Upon termination of the agreement in terms hereof the Vendor shall immediately refund all payments made by the Purchaser and/or return any share certificates, title deeds or other documents handed over or paid in terms of this agreement, except for the amount of R100.00 being the cost of the Welcome Package supplied to the Purchaser. On return to the Agency of the undamaged Welcome Package, the Vendor Company shall refund directly to the Purchaser the R100.00 retained.

4. INSTALMENT TERMS

Where the Purchaser avails himself of loan finance in terms of any loan finance agreement in order to pay the Purchase Price then

- 4.1 payment of the Purchase Price shall be due upon the grant of such loan finance
- 4.2 the Vendor Company may in its discretion agree to facilitate the grant of loan finance either by the provision of security or otherwise, in which case
 - 4.2.1 the Purchaser irrevocably indemnifies the Vendor Company against any loss or damage whatsoever arising from or as a consequence of any guarantee, security or undertaking given by the Vendor Company;
 - 4.2.2 the securities given in terms of the provisions of clause 3.7 of these Terms and Conditions shall be given also as security to the Vendor Company for the due and punctual fulfilment of the obligations of the Purchaser under any agreement relating to loan finance which was facilitated by the Vendor Company;
 - 4.2.3 the Purchaser shall be deemed not to have discharged his obligations in terms of this Acquisition Agreement until he has discharged his obligations in terms of such loan finance agreement and until release of the Vendor Company from any such guarantee or security so provided has been procured;
 - 4.2.4 any breach of or failure by the Purchaser punctually to comply with his obligations in terms of such loan finance agreement shall be a material breach of this Acquisition Agreement, entitling the Vendor Company to such remedies as are set out herein and/or are available to it at law.
- 4.3 a certificate under the hand of any Manager or Director of the Vendor Company, or its nominee, whose status and title need not be proved, setting forth the indebtedness of the Purchaser at any time, and the fact that such amount is due and payable, the annual finance charge rate payable thereon shall be conclusive proof to the Purchaser's indebtedness. Such certificate may be used by the Vendor Company, or its nominee, for the purpose of obtaining judgement, provisional sentence, summary judgement or any other order or relief against the Purchaser.
- 4.4 The Purchaser hereby consents to the jurisdiction of the Magistrate's Court having jurisdiction in respect of his person for all purposes arising out of this Agreement provided that nothing herein contained shall prevent the Vendor Company, or its nominee, from instituting proceedings arising out of this Agreement in any division of the Supreme Court of South Africa having jurisdiction.

5. VENDOR COMPANY'S OBLIGATIONS

- 5.1 The Vendor Company shall, for so long as it is empowered to introduce Accommodation into the Scheme, at its own cost cause the Accommodation to be vested in the Trust, and be liable for the discharge of all liabilities and encumbrances, including all mortgage bonds, of any sort in respect of the Accommodation;
- 5.2 The Vendor Company shall, subject to compliance by the Purchaser with his obligations under this Acquisition Agreement, within 30 days of payment of the full Purchase Price, procure
 - 5.2.1 the issue of a Membership Certificate and a Point Rights Certificate to the Purchaser;
 - 5.2.2 the entry of the name of the Purchaser in the Membership Register and the Point Rights Register.

6. BREACH

In the event of the Purchaser being in breach or in default of compliance with any of his obligations in terms of this Agreement and continuing such default despite 14 days' Notice, then the Vendor Company shall have the right either to

- 6.1 enforce this Acquisition Agreement and in that event declare the full balance of the Purchase Price then outstanding, together with interest (at the maximum rate permitted in terms of the Usury Act 73 of 1983, as amended) to be immediately due and payable;
- 6.2 cancel this Agreement and

- 6.2.1 terminate the Purchaser's entitlement to the Point Rights and any rights arising therefrom; and
- 6.2.2 sell the Point Rights and any rights attaching thereto either by way of private treaty or public auction in pursuance of its rights under clause 3.7 of these Terms and Conditions;
- 6.2.3 retain as agreed liquidated damages all payments then already made by the Purchaser and any proceeds from the sale of the Point Rights, without prejudice to its right to recover from the Purchaser such further damages as it may sustain, subject to the provisions of the Conventional Penalties Act 15 of 1961, as amended; and

6.3 further to recover from the Purchaser any costs incurred, whether consequent upon notice, enforcement, cancellation or sale in terms of clause 6.2.2 on a scale between attorney and own client.

7. MORA INTEREST

Any amounts whether due in terms of this Acquisition Agreement or otherwise and of whatsoever nature and from whatsoever cause arising which may from time to time become due by the Purchaser to the Vendor Company, and which are not paid on the due date thereof shall attract mora interest at the maximum rate permitted in terms of the Usury Act 73 of 1968, as amended, from due date thereof until date of payment.

8. SOLE AGREEMENT

This Acquisition Agreement, read with the Schedules and documents referred to herein and/or accompanying this Acquisition Agreement, shall be the sole agreement between the parties and no variation thereof except for variations of the Resorts Points Value Guide and the Scheme Accommodation Tables from time to time in terms of the Articles of Association shall be valid or binding unless reduced to writing and signed by them.

9. OFFICIAL LANGUAGE

The Purchaser has elected English as the official language for purposes of this contract in accordance with section 3 of the Act.

10. DOCUMENTS FOR INSPECTION

All documents referred to in clause 3 of the Acquisition Agreement shall be available for inspection during normal office hours at the offices of the Vendor Company at The Waverley, 2nd Floor, Zone 26, Weymouth Road, Mowbray, 7700.

STATUTORY INFORMATION SCHEDULE ACT NO. 75 OF 1983 AND REGULATIONS

Section No.	Regulation No.	
4(1)(a)		The Parties to the Acquisition Agreement, being respectively the Vendor Company and the Purchaser and their respective residential or business addresses are contained in the Acquisition Agreement.
4(1)(b)	4(e)	The legal basis of the scheme is the contractual relationship between the Vendor Company, the Trust as holder of title to or Use Rights in the Accommodation to which the Occupancy Rights relate, and the Purchaser.
4(1)(c)	4(g)	The Time-sharing scheme relates to the immovable property defined as "Accommodation" in the Definitions and Interpretation, and described in the Scheme Accommodation Tables accompanying the Acquisition Agreement. The Accommodation in respect of which the scheme is operated comprises Units or Use Rights in Units in certain of the Resorts referred to in the Resorts Points Value Guide as stipulated in the Scheme Accommodation Tables.
4(1)(d)	4(f)	<p>The Accommodation comprises:</p> <ol style="list-style-type: none"> 1. Units, in respect of which title vests in the Trust in accordance with the provisions of the Trust Deed. Title may comprise registered title in terms of the Deeds Registries Act, 1937, or the Sectional Titles Act, 1986, or may comprise the holding of shares in a Share Block Company as defined in Act 59 of 1980, or a lease (whether registered or not), or contractual rights to a time-share interest in immovable property in terms of the provisions of the Property Time-Sharing Control Act, 75 of 1983. The type of title in respect of particular Units is disclosed in the Scheme Accommodation Tables; 2. Use Rights which have been ceded to the Trust in respect of Units, title to which remains vested in a particular Member.
4(1)(e)	4(i)	Title to the Units and the Use Rights vest in the Trust, whose full name and address appear in the Acquisition Agreement.
4(1)(f)	4(k)	Details of any mortgage bond encumbering any of the Units are disclosed in the Scheme Accommodation Tables relating to the particular Units.
4(1)(g) and	4(l) and	The total consideration payable by the Purchaser in respect of the purchase of the Point Rights is reflected in clause 2 of the Acquisition Agreement.
4(1)(h)	4(m)	Interest is payable on any balance of the consideration at the annual rate reflected in Schedule 1 to the Acquisition Agreement.
4(1)(i)	4(n)	If any portion of the consideration is payable in instalments, the amount and due date of each instalment is reflected in Schedule 1 to the Acquisition Agreement.
4(1)(j)	4(o)	
4(1)(k)	4(p)	Copies of the architect's certificates in respect of the Units are available for inspection at the offices of the Vendor Company or at the offices of the Management Companies of each Resort.
4(1)(l)	4(v)	Written details of the property time-sharing scheme and of the Scheme Regulations, insofar as they are not disclosed as annexures to the Acquisition Agreement, shall be available for inspection at the offices of the Vendor Company at The Waverley, 2nd Floor, Zone 26, Weymouth Road, Mowbray, 7700.
4(1)(m)	4(q)	An inventory of movables available for use in relation to each Accommodation unit is available at each Resort.
4(1)(n)		The Acquisition Agreement is drawn in the language chosen by the Purchaser.
4(d)		The sport, recreational or other facilities available for the use of the Purchaser in common with other occupants of each resort, are reflected in the Resort Guide Book.
4(j)		The Vendor Company does not have an interest in the current Managing Agents.
4(n)		The year of completion of the Units in each Resort is disclosed in the documents relating to each Resort and held by the Management Company of the Resort.

QUESTIONS & ANSWERS

1. WHAT IS CLUB RESORTS INTERNATIONAL (CRI)?

Club Resorts International (CRI) is a unique form of non-specific holiday ownership which has all of the benefits of Timeshare with none of the negatives.

2. HOW DOES IT DIFFER FROM TIMESHARE?

With conventional Timeshare you own a specific week in a specific unit in a specific resort. A very inflexible system. With CRI you have none of the restrictions of conventional Timeshare. You are able to holiday when you like, where you like and as often as you wish, and the holidays which you don't take can be saved up and used in the future.

3. SO HOW DO I JOIN CRI?

You become a Member of the system by purchasing a number of Point Rights. These Point Rights entitle you to an annual allocation of Holiday Points. You also become a Member of the CRI Management Association to which all CRI Owners belong.

4. WHAT ARE HOLIDAY POINTS?

You receive your allocation of Holiday Points each year and you use these Points like money to exchange for holiday time in the Resort Accommodation which forms part of the CRI system. You receive a Resort Points Value Guide including all the Resorts in the system which will enable you to determine just how many Points it will cost to holiday in a particular unit size at a specific time of the year. Obviously peak seasons cost more Points than low season times and large units more Points than small units, etc.

5. WHAT HAPPENS TO THE POINTS I DON'T USE?

All unused Points can be saved for up to five years.

6. CAN I BUY MORE POINTS LATER?

Yes. If at any time you wish to increase your annual allocation of Points then all you need to do is to purchase more Point Rights in the future at the then ruling price and add them to your portfolio.

7. SO THIS IS ALMOST LIKE AN INVESTMENT PLAN FOR FUTURE HOLIDAYS.

Yes it is. But remember, it's an investment in terms of holidays and not an investment for financial gain or return.

8. IF I CAN BUY MORE POINT RIGHTS IN THE FUTURE, CAN I ALSO SELL THEM WHEN I WANT TO?

Yes, of course. And obviously Point Rights are easier to sell than conventional Timeshare weeks as they are non-specific? You can also leave them to your heirs as they are yours in perpetuity.

9. CAN I LET MY FRIENDS AND FAMILY USE MY POINTS?

Once again the answer is yes. You can book holiday accommodation using your Points for your friends and family. You can even rent out accommodation which you book and earn income from your Points.

10. HOW MUCH DOES IT COST TO BECOME AN OWNER?

As little or as much as you want to spend. You can start with any number of Point Rights, but we suggest an initial investment of between 300 and 900 Points. This should get you a broad spread of holiday options. Thereafter you can always increase your Point Rights ownership should the need arise.

11. HOW SECURE IS MY INVESTMENT?

A very good question. All holiday accommodation included in the CRI system is held in a Trust with the CRI Management Association being the beneficiary of the Trust. In addition, there are independent trustees so the properties are totally secure. Finally, you have invested in a pool of properties and as you probably realise it is much better to spread one's investments and not to hold all your eggs in one basket.

12. WHERE CAN I USE MY POINTS?

The Points System is expanding fast. Each Owner receives full details on all the Resorts included in their Welcome Package which they receive when they first purchase. In addition, as new Resorts are included in the system, existing Owners are able to holiday at these Resorts as well.

13. CAN I ALWAYS GO ON HOLIDAY IN PEAK SEASON?

Obviously not all CRI Owners can go on holiday at the same time and the beauty of this system is its flexibility and variety. To cope with peak season demand the peak season times cost more Points than out of season and, in addition, we work on a reservation priority status which gives each CRI Owners a fair deal over a period of time.

14. MUST I TAKE A FULL WEEK?

No. You can take mid week breaks for just 25% of the Points of a full week and weekend get-aways for 75% of the Points. Consult your Resort Points Value Guide for the various Resorts that offer this option.

15. WHAT OTHER COSTS ARE THERE?

In order to maintain the properties and to provide reception and housekeeping services, as well as to manage the entire system, a levy is charged annually. This levy is very carefully budgeted for and is under the control of the Members themselves.