

CONDITIONS OF PURCHASE

1. DEFINITIONS

1.1. In this Agreement, unless irreconcilable with the contents, the following words shall have the meaning as indicated :-

- 1.1.1. the "Seller" the party as indicated in the preamble of the Main Agreement;
- 1.1.2. the "Purchaser" the party as indicated in the preamble of the Main Agreement;
- 1.1.3. the "Company" Hermanusdoorns Share Block Limited (Registratiion number : 91/06901/06);
- 1.1.4. the "Share Block" the Share Block as stipulated in Clause 1.1 of the Main Agreement;
- 1.1.5. the "loan account" the Seller's claim against the Company in respect of the loan account as allocated to the Share block;
- 1.1.6. the "property" the fixed property as referred to in Clause 2 of the Main Agreement;
- 1.1.7. the "unit" that portion of the property which in terms of the Use Agreement is for the exclusive use of the Purchaser, including the building which is

- constructed or will be constructed for
and on account of the Purchaser;
- 1.1.8. the “Act” is the **Share Blocks Control Act No. 59 of 1980**, as amended;
- 1.1.9. the “effective date” the date whereupon the Agreement is signed by the Purchaser;
- 1.1.10. “Use Agreement” the Use Agreement entered into between the Seller and the Company in accordance with the provisions of the Act whereof a copy is annexed hereto marked Schedule 2.
- 1.1.11. the “Agreement” comprising out of the Main Agreement, the Schedules and annexures thereto as an entire Agreement in terms whereof the Parties’ rights and obligations are determined.

2. SALE, CESSION AND DELEGATION

- 2.1. The Seller hereby sells to the Purchaser who purchases the Share Block and the Loan Account, and the Purchaser accepts responsibility for that portion/percentage of the Company’s loan obligation which is referred to in the Main Agreement or as amended and whereof written notice is given by the Seller to the Purchaser.

- 2.2. The Seller hereby delegates to the Purchaser the Use Agreement, which Purchaser takes over the rights and obligations.
- 2.3. The Purchaser hereby accepts all rights and obligations as a “member” in terms of the provisions of the Use Agreement and his acceptance hereof confirms and acknowledges the Company.

3. PAYMENT OF THE PURCHASE PRICE

- 3.1. The purchase price is payable as set out in the Main Agreement.
- 3.2. All payments shall be made free of bank commission.
- 3.3. The Seller is entitled in his own discretion to allocate amounts received in respect of any amount owing by the Purchaser in terms of the provisions of this Agreement and the Purchaser abandons his rights to allocate payment in respect of a specific outstanding debt/amount.
- 3.4. The Purchaser is entitled to at any time make greater payments than the payments set out in the Main Agreement.
- 3.5. The Purchaser undertakes to pay any collection costs as may be levied against the Seller in the event that the Seller would be obliged to collect overdue amounts. The Purchaser is not entitled to retain any amount or to bring any amount in calculation, to apply set off or a counterclaim of whatsoever claim nature against the Seller.
- 3.6. Should the Seller cancel the Agreement and the Purchaser disputes the Seller's right to do so, then, and in such event and pending the outcome of the dispute by way of litigation or otherwise, the Purchaser shall be

obliged to continue with the payment of amounts to the Seller, amounts equal to the amounts and on the date as determined in the Main Agreement and the acceptance of such payments / installments by the Seller are done without prejudice to rights and shall in no manner effect the Seller's right to cancel the Agreement and shall not be interpreted as a waiver of the Seller's rights.

- 3.7. The Seller retains the right to accept payment by way of installments or to organize financing for the Purchaser and in the latter event, the Purchaser is obliged to give his co-operation for the obtaining of financing and to sign such documents as that may be needed.

4. INTEREST

- 4.1. Interest against effective rate of interest shall be calculated :-
 - 4.1.1. from the effective date to the last day of the month wherein the effective date falls; and
 - 4.1.2. thereafter, monthly in advance on the first day of the following month and shall be calculated on the balance of the purchase price as on the last day of the previous month.
 - 4.1.3. Interest will be capitalized and shall be deemed to form part of the purchase price.
- 4.2. All amounts other than the purchase price which is payable or repayable by the Purchaser to the Seller in terms of the Agreement shall, unless it must be paid or repaid within fourteen days after the

date it falls due, gain interest at the effective rate of interest from date upon which it became due and payable to date of payment, both days inclusive.

- 4.3. All other overdue payments gain interest at the maximum rate of interest which may be promulgated from time to time in accordance with the “**Usary Act**” or similar legislation and should payment of the purchase price or the balance of the purchase price also be overdue, then the Seller is entitled to apply the maximum prescribed rate of interest instead of the rate of interest which is referred to in Clause 5 of the Main Agreement.

5. TRANSFER OF SHARES AND USE AGREEMENT

- 5.1. Against payment of the full purchase price to the Seller, the Seller shall transfer to the Purchaser the transfer of shares representing the Share Block.
- 5.2. The risk in and advantage of the Share Block and Use Agreement shall vest in the Purchaser from the effective date, notwithstanding the fact that the Seller retains the share until the full balance purchase price is paid.
- 5.3. As further security for payment of the balance of the purchase price in terms of this Agreement, the Purchaser hereby cedes to the Seller the loan account and delegates all rights and obligations of the Use Agreement to the Purchaser until the full balance purchase price is paid

in full, from which time period the cession of the loan account and delegation lapses and from which time period the Purchaser shall alone be entitled to the loan obligation and the rights and obligations in respect of the Use Agreement.

6. DEVELOPMENT

6.1. The Purchaser is entitled in his own discretion and subject to all the applicable statutory provisions, the Company's Memorandum of Incorporation and Constitution, the Use Agreement, Management Regulations and subject to the Directors' approval, to bring improvements to the Unit over which the Purchaser has exclusive use. The Directors' decision from time to time regarding developments and mechanisms for the presentation for approval, is final and binding on the parties.

7. CONFIRMATION BY THE PURCHASER

- 7.1. The Purchaser acknowledges and accepts that :-
- 7.2. The shares in the loan account are received and the Use Agreement is delegated "voetstoots" without any guarantees or representation except as set out herein and that the purchase is subject to all defects, latent or patent, also in respect of the assets of the Company.
- 7.3. He has acquainted himself with the nature and extent of the property, site and development of the Unit in respect of his Share Block, the

portions of the Company which is earmarked for exclusive use and of the entire Share Block Scheme and that he accepts his interest therein “voetstoots”.

7.4. The total development of the property shall comprise the following:

- 7.4.1. 100 (one hundred) units similar to the Unit that is linked to the Share Block that is purchased herewith.
- 7.4.2. The establishment of no more than 100 (one hundred) units which the Seller may market.
- 7.4.3. The establishment or extension of the communal facilities such as for example lapa's, conference facilities and services or aspects in connection therewith or otherwise as what the Directors of the Company may from time to time determine and approve by the Shareholders by a minimum of seventy five percent in total of the members of the Company.
- 7.4.4. The improvements of the existing communal facilities.

8. LEVIES

- 8.1. The Purchaser acknowledges that he has acquainted himself with the provisions of the Use Agreement in connection with the provisions and the payment of levies.
- 8.2. The Purchaser accepts that the costs in respect of all Deeds Office registration processes, surveyance costs, costs of the Town and Regional planners, legal costs and all costs in connection with the

professionals which are connected with the development and the maintenance of the Sectional Title Scheme and to do so in accordance with the statutory requirements and redeemed out of the levy fund.

- 8.3. The Purchaser acknowledges that he is acquainted of the fact that for so long as the levies are overdue, his right to access to the property and use and occupation of the unit is automatically suspended and that the Company, in addition to the abovementioned, shall also be entitled to institute such legal steps as what may be necessary or become necessary to recover the outstanding levies.

9. BREACH OF CONTRACT

In the event of breach of contract by the Purchaser, the Seller shall give the Purchaser written demand to rectify the breach of contract within ten days from date whereupon the demand was sent per registered mail or per telefax and by default to correct the breach of contract, the Seller shall be entitled to, in addition to any other legal remedies available to him in terms of the Use Agreement, any other agreement or otherwise :-

- 9.1. to enforce the provisions of this Agreement and to immediately claim all amounts that may be owing in terms hereof, even it if would not have been otherwise due and to prohibit access to the immovable property;
- 9.2. to cancel this Agreement, to refuse the Purchaser access to the communal property and to refuse occupation of the Purchaser's property, to transfer the Share Block to the name of the Seller and for

this purpose, to sign on behalf of the Purchaser **in rem suam** to the Seller the share transfer documents, to cede the loan account from the Purchaser to the Seller and to delegate the Use Agreement in the name of the Seller again. The Seller shall be entitled to retain all amounts which have already been paid by the Purchaser to the Seller until the Share Block is re-sold by the Seller as determined hereunder :-

- 9.2.1. The parties determine that the Share Block may be sold by way of public auction in a daily Newspaper that circulates in Gauteng and on the basis that as such it is advertised in a daily Newspaper at least three times over a time period that is not longer than approximately twenty one days from the date of the first publication to the last publication. Out of the profit of the sale, the Seller can recover all costs, damages, including loss of interest due to the Purchaser's breach of contract and pay the balance, if any, to the purchaser. Should the profit from the auction be too little to cover the balance of the purchase price together with the costs, damages and loss of interest, then the Purchaser is liable for the payment of such shortfall;
- 9.2.2. A certificate that professes to be signed by the Director of the Company (whose appointment need not be proved) or the Seller, or the auditors (whose appointment need not be proved), shall be sufficient proof of the balance due by the

Purchaser at any time and in respect of any circumstances, including the provisions of the Main Agreement, the Agreement or otherwise, which certificate shall be sufficient for the purposes of default judgment, judgment, provisional judgment and summary judgment;

- 9.2.3. The Purchaser shall, in the event of breach of contract, be liable for costs as on an attorney and client scale, including collection commission in respect of all legal action or other action that is connected directly or indirectly with the Contract or that is a consequence thereof.

10. CONVERSION TO SECTIONAL TITLE SCHEME

The Purchaser acknowledges to be acquainted with the fact that the Company may convert the Share Block Scheme to a Sectional Title Scheme in terms of the **Sectional Title's Act**, should it be viable, in accordance with the opinion of the Company's Share Holders.

11. COPY OF CONTRACT

The Seller shall as speedily as possible after final signing of this Agreement, send to the Purchaser, per registered mail to the Purchaser's postal address, as stated in the Agreement, a copy of the Agreement including the Main Agreement, the Use Agreement and all relevant annexures thereto.

12. SIGNING OF DOCUMENTS

The Purchaser undertakes to, when requested thereto by the Seller of the Company to do so :-

12.1. complete all documents, to sign and deliver to the Seller, that which may be necessary to implement this Agreement; and

12.2. to pay all costs including stamp duty, secretarial costs, legal costs and auditor's costs in connection with the transfer of the Shares and the Cession of the loan account and delegation of the Use Agreement;

by default of which, the Seller, without prejudice to any other rights which the Seller may have, may for and on behalf of the Purchaser sign all documents in order to implement this Agreement for which the Purchaser hereby irrevocably **in rem suam** appoints the Seller as the Purchaser's Agent and the Purchaser hereby exempts and indemnifies the Seller or the Seller's nominee/agent against all costs, damages or claims that may originate here out of and for any claims, including any claims of whatsoever nature, due to the provisions and/or implementation of this clause.

13. DOMICILIUM, NOTICES AND JURISDICTION

13.1. The parties hereby nominate as their **domicilium citandi et executandi** for the sending of all notices and processes, any of the physical addresses as set out in this Agreement;

13.2. The parties may, by written notice sent per registered mail, inform the other party of an alteration in their **domicilium citandi et executandi**;

13.3. All notices may be posted per registered mail or per telefax and shall be deemed to be received by the addressed within three working days, calculated from the day which follows upon the day when the letter was posted or sent per telefax.

14. ENTIRE AGREEMENT

The Agreement comprises out of different portions thereof and contains the entire Agreement between the parties and contains no warranties of whatsoever nature besides those that are set out in the Agreement, and the Agreement can only be amended or cancelled should it be done in writing and signed by the parties hereto.