

OFFER TO PURCHASE

TO:

(hereinafter called the "Seller")

I, the undersigned _____
("The Purchaser"), in my personal capacity or in the capacity set out beneath my
signature hereto, offer to purchase:

Erf _____ Hilton, Registration Division FT, Province of KwaZulu-Natal in extent _____
square metres ("the Property") which is part of a township known as "The Gates at
Hilton" ("The Gates") and is known as _____ The Gates

for the sum of R _____
(_____)
("the purchase price") exclusive of Value Added Tax ("VAT").

My address for the purposes of this agreement is:

Postal Address: _____

Physical Address: _____

Telephone: _____

Cell: _____

Email: _____

THE SALE

The Seller accepts the offer made by the Purchaser and sells to the Purchaser who
purchases the property subject to the terms and conditions set out herein.

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1. MORTGAGE BOND

1.1. This Agreement is subject to the suspensive condition that the Purchaser is granted a loan –

1.1.1. On the security of a first mortgage bond over the property;

1.1.2. By a Bank or by any other person on terms and conditions no more onerous than prevailing Bank terms and conditions;

1.1.3. Within 30 days of the date hereof;

1.2. Provided that this condition shall be deemed to have been fulfilled notwithstanding that such loan is granted subject to a condition that funds are not immediately available or that it can be withdrawn at the lender's discretion or otherwise.

1.3. The Purchaser may at any time up to and including, but not after, the date by which the loan is to be granted, including any extension, waive the benefit of this clause by written notice to the Seller.

1.4. If this condition has not been fulfilled or waived by the Purchaser by the date envisaged in clause 1.1.3 hereof, including any extension, this Agreement shall be void and neither party shall have any further rights except as set out below. In particular, the Purchaser shall have no right after that date to elect to treat this Agreement as being free of this condition if it has not been waived by that date.

2. PAYMENT OF THE PURCHASE PRICE

2.1. The whole of the purchase price, together with any VAT which may be due thereon, shall be paid by the Purchaser to the Seller on the date of registration of transfer of the property into the name of the Purchaser (“the transfer date”) and shall, in the interim, be secured by:

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- 2.2. A deposit of 25% of the purchase price will be paid within 10 (ten) days of the acceptance of this offer by the purchaser.
- 2.3. The balance of the purchase price together with VAT shall be secured by either a cash payment or a bank guarantee issued by a financial institution in the usual form of a property guarantee acceptable to the Seller to be furnished by the Purchaser to the Seller within sixty days of either signature of this agreement or the date on which the suspensive condition set out above is fulfilled whichever is applicable. The guarantee shall be expressed to be payable free of exchange at Pietermaritzburg on the transfer date.
- 2.4. The deposit or payment of the balance of the purchase price or portion thereof shall be invested in terms of Section 86(4) of the Legal Practice Act (Act No 28 of 2014), for which investment this shall be the authority; interest on the deposit shall accrue to the benefit of the Purchaser from the date of the deposit until the transfer date, On the transfer date the capital of the deposit shall be paid by the Conveyancers to the Seller.

3. VAT

- 3.1. The Seller records that it is not a vendor for purposes of VAT and that VAT is not payable on this transaction.
- 3.2. The Purchaser shall pay transfer duty to the Conveyancers in accordance with Paragraph 4 of this agreement.

4. REGISTRATION OF TRANSFER

- 4.1. Registration of transfer of the property into the name of the Purchaser shall be attended to by Tomlinson Mnguni James, the Conveyancers at the expense of the Purchaser. The parties agree to sign all documents as are necessary to give effect to this agreement on production of the documents to them by the Conveyancers.

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- 4.2. Transfer of the property to the Purchaser shall be given to the Purchaser as near to _____ as possible.

5. OCCUPATION AND POSSESSION

- 5.1. Occupation and possession of the property shall be given to the Purchaser by the Seller on the transfer date on which date all risk and benefit in and to the property shall pass from the Seller to the Purchaser.
- 5.2. If the date of transfer of the property to the Purchaser does not coincide with the date of occupation, then the Seller is entitled to occupation rental while the property is registered in the Seller's name. The occupational rent shall be set at R _____ per month plus VAT (if applicable).
- 5.3. Payment shall be made monthly in advance on the first day of each month;
- 5.4. If the liability for occupational interest commences or ceases during a month, a proportionate share in respect of the period up to the end of that month shall be payable or refundable, as the case may be, on the date of such commencement or cessation.

6. SPECIAL CONDITIONS APPLICABLE TO THE GATES

- 6.1. Access to The Gates will be restricted to residents, their guests, lessees and members of their families and such other persons as the Seller or The Directors of the Home Owners Association or the house rules applicable to The Gates shall permit.
- 6.2. A Non Profit Company under the provisions of the Companies Act No 71 of 2008 called THE GATES AT HILTON HOME OWNERS ASSOCIATION RF NPC ("The Home Owners Association"), for the purposes of managing the activities within The Gates and to maintain compliance with the house rules, building code and other similar matters applicable to the property and other properties in The Gates has been registered. The draft Memorandum of Incorporation ("MOI") of The Gates at Hilton Home Owners Association and the house rules of The Gates

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("the Rules") are available for the Purchaser to inspect at the Home Owners Association offices. The Purchaser confirms that the Purchaser accepts and is bound by the terms and conditions of the MOI and the rules. The Purchaser acknowledges that the Home Owners Association may amend these documents from time to time. Should such amendment be made prior to the to the registration of transfer of the property into the name oof the Purchaser, the Seller undertakes to advise the Purchaser of any such changes.

- 6.3. The Purchaser shall be obliged to become a member of the Home Owners Association and shall remain a member for as long as the Purchaser remains a registered owner of or the representative of a legal entity which is the registered owner of a property in the Gates.
- 6.4. This condition shall be incorporated in the Title Deed of the property.
- 6.5. To protect the rights of the Hiltonian Society which are enshrined in the MOI the property shall not be alienated transferred, leased or disposed of in any way without the written consent of the Home Owners Association.
- 6.6. The Purchaser agrees that all negotiations, legal or quasi legal dealings or actions with or against any neighbour of The Gates, shall be conducted by the Homeowner's Association and, insofar as may be necessary in law, the Purchaser cedes and assigns any personal rights which the Purchaser may have in regard to such dealings and negotiations to the Home Owners' Association.
- 6.7. The building code applicable to the property and all other properties in The Gates is available for inspection at the Home Owners Association offices. The code consists of architectural guidelines and specifications. The Purchaser agrees and accepts that no building shall be built on the property or alterations made to an existing building unless it complies with the building code and further acknowledges that the Home Owners Association is vested with the power to enforce the building code.
- 6.8. The terms of conditions of the MOI, the rules and the building code shall be applicable to all sales in The Gates with the effect that each and every owner of properties in The Gates shall be bound to comply with the conditions and shall not be entitled to sell the property as a whole or an undivided share therein
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without binding the Purchaser of the property or the undivided share to the terms and conditions.

7. RESIDENTIAL DEVELOPMENT

The Gates is a residential estate and no business shall be conducted on any property.

8. BUILDING

8.1. The Purchaser acknowledges that the Home Owners Association has the right to control the building code in The Gates.

8.2. The Purchaser shall prior to commencing either building operations or external alterations to an existing building submit plans prepared by an architect approved by the Home Owners Association which plans shall comply with the building code.

8.3. The Purchaser accepts that it is the Purchaser's obligation to inform anyone to whom the Purchaser sells the property of the terms and conditions of the foregoing paragraph.

8.4. Any building on the property shall be constructed by the building contractors approved by the Home Owners Association. The Purchaser accepts and agrees that this condition is reasonable for the preservation of the integrity of The Gates and the Hilton College Estate.

9. LEVIES

The Purchaser shall be liable for and shall pay the monthly levies charged by the Home Owners' Association on and from the 1st day of the month following the month in which transfer is registered.

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10. LEVY STABILISATION FUND

- 10.1. The Purchaser acknowledges that a levy stabilization fund which fund is controlled by the Home Owners Association and utilised for capital and other necessary expenditure has been established.
- 10.2. On sale of the property by the Purchaser and in the case of all future transfers an amount of 1% of the purchase price or a maximum of R25 000,00 shall be retained by the Conveyancers and paid into the levy stabilization fund.

11. PHASED DEVELOPMENT

The Purchaser acknowledges that The Gates is to be developed in phases at the sole discretion of the developer. The developer may incorporate additional land in The Gates.

12. ESTATE AGENT'S COMMISSION

The parties record that any commission due to an Estate Agent officially appointed by the Seller will be paid by the Seller.

13. CONDITIONS OF TITLE AND OTHER CONDITIONS

The Purchaser purchases the property subject to all the terms and conditions contained in the title deed to the parent property and subject to all the terms and conditions imposed on the property in terms of the Municipality's consent and the conditions imposed in terms of the KwaZulu-Natal Planning and Development Act.

14. ELECTRICAL, GAS COMPLIANCE AND ENTOMOLOGIST CERTIFICATES

The Seller shall be obliged prior to transfer of the property, to furnish the Purchaser with –

- 14.1. a certificate of compliance as defined in Regulation 1 of the regulations promulgated in Government Notice R242 published in Government Gazette No. 31975 dated 6 March 2009 in respect of all electrical installations on the property; and
- 14.2. In regard to the perimeter fence, an electric fence system certificate of compliance which certificate shall be supplied by the Home Owners Association, issued by a registered person in accordance with Annexure 1 to the Electric Machinery Regulations published in Government Gazette No. 31454 dated 25 March 2011 in respect of any fence and/or electric fence system erected on the property; and
- 14.3. (to the extent that any gas appliances used or installed on the property require certification in terms of the Pressure Equipment Regulations promulgated under the Occupational Health and Safety Act), a certificate of conformity issued by an authorized person registered as such with the Liquified Petroleum Gas Safety Association of Southern Africa in terms of Regulation 17(3) in respect of such gas appliances;
- 14.4. The Seller shall be liable to bear the charges of any person issuing the certificates required in terms of this clause for –
 - 14.4.1. any repair, alteration or remedial work that may be required to be undertaken in order to procure the furnishing of such certificates; and
 - 14.4.2. for conducting the inspections and issuing the certificates required in terms of the respective regulations.
- 14.5. Notwithstanding any other provision of this agreement, the Seller shall be obliged, within 14 days of this agreement becoming unconditional, to furnish the Conveyancers with a certificate in customary form and issued by a State-approved entomologist to the effect that all buildings on the property are visibly free from infestation by termites, borer beetles and other timber-

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destroying insects. The costs of any treatment that may be required to be undertaken in order to procure the furnishing of such certificate shall be paid by the Seller.

15. VOETSTOOTS

Save as is otherwise specifically provided for in this agreement, the property is sold to the Purchaser who purchases it voetstoots and as it stands. If on the subsequent survey of the properties for the purposes of the diagrams referred to in this agreement, it appears that the properties are either of greater or lesser extent than indicated in this agreement, neither party shall have a claim against the other for either an increase or decrease in the purchase price in relation to such variation.

16. COSTS

The costs of this agreement shall be borne by the Seller.

17. DEFAULT

Should any party be in breach of any of the terms and conditions of this agreement and remain in breach for a period of 14 (fourteen) days after receipt of written notice to remedy such breach, then the party giving notice shall be entitled, without prejudice to any other relief to which that party may be entitled, to cancel this agreement and to sue the defaulting party for damages, or to abide by the terms hereof and to sue the defaulting party for proper performance without prejudice to any claim which the party giving notice may have for damages.

18. MISCELLANEOUS MATTERS

18.1. Addresses & Notices

For the purposes of this agreement, including the giving of notices and the serving of legal process, the parties choose domicilium citandi et executandi ("domicilium") as follows

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18.1.1. Seller:

Postal Address: _____

Physical Address: _____

Telephone: _____

Cell: _____

Email: _____

18.1.2. Purchaser: As set out in the preamble to this agreement

18.2. A party may at any time change that party's domicilium by notice in writing provided the new domicilium is in the Republic of South Africa and consists of or includes a physical address at which process can be served.

18.3. Any Notice shall be deemed to have been received unless the contrary has been proved:

18.3.1. If sent by prepaid registered post on the seventh business day following the date of posting thereof.

18.3.2. If served by e-mail in shall be deemed to have been sent by the originator and to have been received by the addressee when a confirmation of delivery message confirming that the e-mail was sent to the addressee's e-mail and was delivered to that e-mail address is received by the originator.

18.3.3. If delivered by hand, on the date of such physical delivery.

19. Entire Contract

This agreement constitutes the entire contract between the parties with regard to the matters dealt with in this agreement and no representations, terms, conditions or warranties not contained in this agreement shall be binding on the parties.

20. Variation & Cancellation

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No agreement varying, adding to, deleting from or cancelling this agreement shall be effective unless reduced to writing and signed by or on behalf of the parties.

21. Indulgences

No indulgence granted by a party shall constitute a waiver of any of that party's rights under this agreement; accordingly, that party shall not be precluded as a consequence of having granted such indulgence from exercising any rights against the other which may have arisen in the past or which may arise in the future.

22. Interpretation

In this Agreement, unless inconsistent with the context –

- 22.1. Words referring to one gender shall include a reference to the other genders;
- 22.2. Words importing the singular shall include the plural and vice versa;
- 22.3. Words referring to natural persons shall include companies and vice versa.
- 22.4. "Days" shall mean calendar days, excluding the first day and including the last day unless the last day should fall on a Saturday, Sunday or Public Holiday in which case the last day shall be the next business day following.

This offer shall remain open for acceptance indefinitely but may be withdrawn by the Purchaser at any time prior to acceptance of the offer by the Seller.

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Dated at on

PURCHASER

AS WITNESSES:

Accepted at on20

Seller

AS WITNESSES:

I, the undersigned IAIN DOUGLAS McMILLAN, being duly authorized hereto, do hereby consent to the above sale subject to both parties fulfilling their obligations in terms of the house rules applicable to The Gates at Hilton and the MOI.

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