

DEED OF SALE

entered into by and between

TRONICORP (PTY)LTD

(Registration No: 2009/003127/07)

1st FLOOR HATFIELD GABLES

HATFIELD

PRETORIA

(hereinafter referred to as "the owner")

(represented herein by Andre Boshoff,
duly authorised thereto)

and

STELOR CC

Registration Number 2005/139348/23

1 st Floor Block 4

Glen Manor Office Park

Glen Manor Avenue

Menlyn

Herein represented by Tony Petricevic

(hereinafter referred to as "the Developer")

Duly authorised thereto)

and

THE PURCHASER

(as defined in paragraph A1 of the First Schedule)

(represented herein by the person indicated thereon,
duly authorised thereto)

LIST OF DOCUMENTS

1. The First Schedule, containing inter alia all the relevant particulars of the Owner, Purchaser, And Property.
2. The Second Schedule, containing all the standard terms and conditions of this agreement.
3. The Third Schedule, containing the Conduct Rules of the Home Owners .
4. The Fourth Schedule, describing the property, house type and finishes.

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| Purchaser: | Owner: | Developer: |
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FIRST SCHEDULE

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|---|--|---|--------|--|-----|---------------------|
| A1 | (i) Name of Purchaser | | | | | |
| | (ii) Identity Number | | | | | |
| | (iii) Marital status | | Single | | ANC | COP (and Customary) |
| | (iv) Name Spouse(ONLY IF COP) | | | | | |
| | (v) Spouse ID(ONLY IF COP) | | | | | |
| | (vi) Registration no(cc/cc/trust) | | | | | |
| | (vii) Physical address | | | | | |
| | (viii) Postal address | | | | | |
| | (ix) Telephone number | | | | | |
| | (x) Cell phone number | | | | | |
| | (xi) Fax number | | | | | |
| | (xii) E-mail address | | | | | |
| Full particulars of the member/shareholder/trustee of the Purchaser acting on behalf of the CC/Company/Trust – A legal resolution confirming the validity of the sale, together with all FICA documentation, will be required by the nominated Conveyancer. | | | | | | |
| A2 | Purchase price | R | | | | |
| | A.2.1 Loan amount | R | | | | |
| | A.2.2 Balance of purchase price | R | | | | |
| A3 | Initial deposit | R 5 000.00 | | | | |
| A4 | Principal (Legal persona) | | | | | |
| | Full name | I | | | | |
| | Identity number | | | | | |
| | Capacity | | | | | |
| | Physical residential address | | | | | |
| | Physical employment address | | | | | |
| | e-mail address. | | | | | |
| A5 | Property: Portion _____ of Erf 443 Terra Nova Extension 1 Township, Improved by house type _____ In Bush Willow Place, with finishes as set out in the fourth schedule. | | | | | |
| A6 | Nominated Conveyancer | Le Roux Jansen Incorporated 012 941 1502 E mail leroux@law.co.za | | | | |

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| Purchaser: | Owner: | Developer: |
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| Signed by the PURCHASER at _____ on this _____ day of _____ 201 | | | |
| Purchaser | Spouse's consent (if necessary) | Witness | |
| | | | |
| Full names of signatory | | | |
| Capacity | | | |
| (Attach copy of Resolution) who undertakes specifically to comply with the provisions of the Second Schedule annexed hereto and binds himself/herself as surety and co-principal debtor with the Purchaser for all of the Purchaser's obligations in terms of this contract. | | | |

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| Accepted by the OWNER at _____ on this _____ day of _____ 201 | | |
| Owner | Witness | |
| Andre Boshoff | | |
| <hr/> Signed by the DEVELOPER at _____ on this _____ day of _____ 201 | | |
| Developer | Witness | |
| Tony Petricevic | | |

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SECOND SCHEDULE

TERMS AND CONDITIONS

1. INTERPRETATION AND DEFINITIONS:

1.1 In this agreement, unless the context clearly indicates a contrary intention, the words herein below defined shall have the meanings assigned to them, and equivalent expressions shall bear corresponding meanings:

- 1.1.1 "agreement" : shall mean this agreement and all annexures attached or referred to herein;
- 1.1.2 " association rules" : means the rules of The Association of the Home Owners, from time to time
- 1.1.3 "Bond amount" : shall mean the amount referred to in A.2.1 in the First Schedule;
- 1.1.4 "Bond originator" : shall mean the mortgage bond originator nominated by the Owner;
- 1.1.5"Balance of Purchase Price" : shall mean the amount referred to in A2.2 of the First Schedule (inclusive of Value Added Tax);
- 1.1.6 "Conduct Rules" : means the Conduct Rules of the Terra Nova NPC attached hereto as the fourth schedule
- 1.1.7 "Memorandum of Incorporation" :means the Memorandum of Incorporation (herein referred to as " the MOI") of the Terra Nova Township Home Owners Association NPC, available for inspection upon request by the Purchaser.
- 1.1.8"Conditions of Establishment" : shall mean the conditions relating to the establishment of the township which were issued by the local authority and forms part of the proclamation notice relating to the township;
- 1.1.9"Deposit" : shall mean the amount referred to in A.3 of the First Schedule as initial deposit and payable as referred to in clause 4.4 hereof;
- 1.1.10 "Developer" : shall mean Stelor CC Ltd (Registration No: 2009/003127/07);
- 1.1.11 "erf" : That portion of the Erf as set out in A5 of the first Schedule
- 1.1.12 "Estate" : Dwellings built on portions of a stand, as described in clause A.5, collectively forming the Home Owners as referred to in clause 1.1.13, such dwellings forming a separate security Estate within the township.
- 1.1.13 "Home Owners" : means the Home Owners Association (an association of owners in the estate, not registered, but bound by rules), formed with the exclusive purpose of running the Estate applicable on the property as described in clause A 5 of the first schedule, herein referred to as the HOME OWNERS, and ruled by the Terra Nova NPC
- 1.1.14 "levy" :shall mean the monthly amount payable by the purchaser as from date of registration of the property into his name to the TERRA NOVA NPC as referred to in clause 19.1.6 hereof;
- 1.1.15 "local authority" : shall mean the Govan Mbeki Local Municipality;
- 1.1.16 "mortgage bond" : shall mean the current mortgage bond registered over the township in favour of Investec Bank Limited;
- 1.1.17 "Owner's attorneys" : shall mean the Nominated Conveyancer as per A.6 of the First Schedule;

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- 1.1.18 "occupation date" : shall mean the date of registration of transfer, from which date the right to occupy and possess the property, as contemplated in paragraph 7 below, will vest in the Purchaser. Every reference in this agreement to the "occupation date" will be a reference to the said date whether or not the Purchaser actually takes occupation of the property on that date;
- 1.1.19 "occupational rent" 1% of the purchase price payable by the Purchaser as set out in clause 21.2 hereof.
- 1.1.20 "Ordinance" :shall mean the Transvaal Ordinance No 15 of 1986;
- 1.1.21 "Owner" : Tronicorp (Pty) Ltd (Registration No: 2009/003127/07)
- 1.1.22 "Proclamation" :shall mean the date of publication of the establishment of the Terra Nova X 1 Township in the Mpumalanga Provincial Gazette.
- 1.1.23 "property" : shall mean the ERF described in A.5 of the First Schedule, the precise form, and/or location and/or area of which property may be influenced by the later provisions contained in this agreement.
- 1.1.24 "Purchaser" : shall mean the party indicated in A.1 of the First Schedule;
- 1.1.25 "Purchase price" : shall mean the purchase price as referred to in A.2 of the First Schedule (inclusive of Value Added Tax);
- 1.1.26 "Registrar of Deeds" : shall mean the Registrar of Deeds Mpumalanga at Mbombela.
- 1.1.27 "Rules" : The Conduct Rules of the TERRA NOVA HOME OWNERS ASSOCIATION attached hereto
- 1.1.28 "registration date" : shall mean date of registration of transfer of the property into the name of the Purchaser in the Deeds Office
- 1.1.29 "township" :shall mean the Terra Nova Township which is to be developed on a portion of the farm Trichardsfontein 140 IS which township may be phased by the owner in his Discretion in terms of the Ordinance or as municipal requirements dictate;
- 1.1.30 "Terra Nova NPC" : means the Terra Nova Home Owners Association NPC(A Company incorporated in terms of schedule 1 of the Companies Act no 71 / 2008) with registration Number 2013/031981/08 being a company without members
- 1.1.31 " CPA" : means the Consumer Protection Act 68/2008

- 1.2 Words importing the singular shall include the plural and *vice versa*, words importing only one gender shall include the other gender and *vice versa* and natural persons shall include legal entities (whether corporate or unincorporated) and *vice versa* and reference to a party hereto shall include the successors in title of that party.
- 1.3 The head notes to the paragraphs of this agreement are inserted for purposes of reference only and shall not affect the interpretation of any provisions to which they relate.
- 1.4 In the event that any definition in this paragraph 1 contains substantive provisions, then such provisions shall be given effect to as if same were incorporated into the main body of this agreement.
- 1.5 When any number of days is prescribed in this agreement, same shall be reckoned exclusively of the first day and inclusively of the last day, unless the last day is not a business day, in which case, the last day shall be the next succeeding business day.
- 1.6 Where any term is defined within the context of any particular paragraph in this agreement, the term so defined, unless it is clear from the paragraph in question that the term so defined has limited application to the relevant paragraph, shall bear the meaning ascribed to it for all purposes in terms of this agreement, notwithstanding that that term has not been defined in this interpretation paragraph.
- 1.7 Expressions defined in this agreement shall bear the same meanings in schedules or addenda to this agreement which do not themselves

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contain their own definition.

2. BACKGROUND AND RECORDALS:

It is recorded that the township known as Terra Nova Extension 1 has been proclaimed as an approved township in the Mpumalanga Provincial Gazette.

It is further recorded that The Developer has signed an agreement with the Owner in terms whereof all building and estate activities in the Terra Nova Township will be the sole responsibility of the developer. The developer, by signing this agreement therefore accepts responsibility for all obligations incurred by him in such capacity, and as referred to in this agreement, and indemnifies the owner against all claims, as necessary.

3. PURCHASE AND SALE:

The Owner, and as far needs be, represented herein by the Developer, hereby sells the property to the Purchaser, who purchases it, subject to the provisions contained or referred to in this document and subject to:

- 3.1 The Conditions of Establishment (a copy of which is available from the Owner), and
- 3.2 The conditions of title contained in the title deed/s of the township of the erf, and
- 3.3 The provisions of the existing town planning scheme as amended or still to be amended or added to as contemplated in the Conditions of Establishment, and
- 3.4 The use rights which will attach to the erf in the proposed township as described in the Conditions of Establishment.
- 3.5 The Conduct rules of the NPC, as attached hereto and signed by all parties and as further referred to in clause 19.1.3 hereof.
- 3.6 The MOI of the Terra Nova NPC
- 3.7 Any rules applicable on the Estate from time to time.

4. PURCHASE PRICE AND PAYMENT:

- 4.1 The purchase price of the property is the amount stipulated in A.2, and includes VAT.
- 4.2 The purchase price is payable by the Purchaser as follows:
 - 4.2.1 The Loan amount will be payable by the Purchaser to the owner on date of registration, and will be in accordance with clause 5 hereof and be payable by means of guaranteed issued by the relevant Financial Institution.
 - 4.2.2 The balance of the purchase price as referred to in clause A.2.2 within 14 (fourteen) days of date of approval of the loan for the loan amount, by the Purchaser to the Owner's attorneys. The Purchaser instructs the Owner's attorneys to invest the deposit in an interest bearing trust account in terms of the provisions of Section 78(2)(A) of the Attorneys Act No. 53/1973 (as amended), and to pay over the deposit to the Owner on date of transfer. All interest earned on the aforesaid investment will accrue to the Purchaser

OR

- 4.2.2.1 The Purchaser undertakes and binds himself to cause an irrevocable guarantee/s to be issued for the balance of the purchase price to the satisfaction of the Owner or the Owner's

attorneys in terms of which payment of the balance purchase price is guaranteed by a duly registered South African Commercial Bank and payable against:

- A) Registration of the property into the name of the Purchaser.
- B) Release of the property from the operation of the mortgage bond.

- 4.3 The Purchaser shall be liable for the costs of the guarantee/s referred to in paragraph 4.2.2.1 above.
- 4.4 The guarantee/s referred to in paragraph 4.2.2.1 shall be delivered to the Owner's attorneys within 30 days of fulfillment of the suspensive condition referred to in paragraph 5.2 below. However, should the provisions of paragraph 5 below not be applicable, the Purchaser shall be obliged to deliver the guarantee/s to the Owners attorneys within 30 days of date of signature hereof.
- 4.5 The initial deposit as referred to in A.3 of the First Schedule shall be payable on date of signature hereof by the Purchaser to the Owner's attorneys. The Purchaser instructs the attorneys to invest the deposit in an interest bearing trust account in terms of the provisions of Section 78(2)(A) Attorneys Act No. 53/1973 (as amended), and to pay over the deposit to the Purchaser after subtracting all amounts which might be due to the Owner's attorneys by the Purchaser, on date of transfer. All interest earned on the aforesaid investment will accrue to the Purchaser. The initial deposit will become non-refundable on date of compliance with the suspensive condition as set out in clause 22.1.
- 4.6 All amounts payable in terms of this agreement shall be paid without deduction at such address or place or places in the Republic of South Africa as the Owner or the Owner's attorneys may indicate in writing.

5. BOND AND SUSPENSIVE CONDITION

- 5.1 The Purchaser is obliged to within 7 (seven) days after date of signature hereof by the Purchaser apply for the loan amount as referred to in clause A2.1, utilizing the services of the Bond originator, and furthermore to ensure and procure that the financial institution from which the Purchaser obtains the loan, instructs the Owner's attorneys to effect registration of the bond.
- 5.2 This agreement is further subject to the suspensive condition that the loan contemplated in 5.1 shall be approved in principle by the relevant bank or other financial institution by not later than 30 days after the date of signature of this agreement by the Owner.

6. INTEREST— LATE PAYMENT— DELAY IN TRANSFER:

- 6.1 Without prejudice to and in addition to any other rights which the Owner then may have, the Owner will be entitled to payment of interest by the Purchaser on all amounts due in terms of this agreement and which are made after due date. Such interest will be calculated at a rate equal to the prime rate of interest charged from time to time by Investec Bank Limited on unsecured overdrafts to its most favoured customers, plus 2% (two percent) per annum.
- 6.2 Should the transfer be delayed as a result of the Purchaser's failure to comply with any of his legal obligations, the Owner will be entitled to payment of interest on the unpaid portion of the purchase price at the rate stipulated in 6.1 for the period of the delay.

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| Purchaser: | Owner: | Developer: |
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7. OCCUPATION AND POSSESSION:

The right to occupy and possess the property will pass to the Purchaser on the occupation date, on which date benefit and risk in the property will pass to the Purchaser.

8. TAXES PAYABLE DIRECT TO THE LOCAL OR OTHER AUTHORITY:

As from the date of transfer the Purchaser will become liable for payment of municipal rates and taxes, levies and all other amounts which may be levied directly on owners by the local or any other competent authority in respect of the property, provided that if the transfer is delayed due to the Purchaser's fault, the Purchaser's liability to pay the said amounts shall arise on the date on which the transfer would have been registered but for the delay caused by the Purchaser. The Purchaser shall pay the said levies directly to the Owner's attorney on request. Should any new levy or form of taxation be imposed in respect of the property by the local authority or any other competent authority after the date of this agreement, the Purchaser shall likewise be liable for the payment thereof from the aforesaid date, which payment will be made to the Owner's attorney on request. The Purchaser shall be liable for payment of any Value Added Tax which may be levied in respect of any of the said amounts which the Purchaser is liable to pay.

9. TOTAL ESTATE

- 9.1 The property is sold as is to the Purchaser.
- 9.2 The Purchaser acknowledges that the Owner has made no representations nor given any warranties express or implied in respect of the property or in respect of any matter relating thereto save as specifically set out in this agreement and annexures.
- 9.3 The Purchaser further acknowledges that he has inspected the general plan, that he is fully aware of the nature and extent of the planned development of the Terra Nova Township and of possible future estates, by the Owner and that he shall not have any claim against the Owner arising out of such estates nor shall he be in any way entitled to interfere with or hinder the future estate of the township.
- 9.4 The Owner accepts no liability whatsoever for loss or damage of whatever nature directly or indirectly arising from or caused by subsidence or faults in the property or in land in the vicinity of the property.
- 9.5 The Purchaser further declares himself to be fully acquainted with all relevant particulars relating to the property, as shown on the Township Site Plan and Registered General Plan as well as the situation and extent of the soil condition thereof. The Owner makes no warranties in respect of the condition of the soil and accepts no responsibility in respect of the usability thereof.
- 9.6 In so far as may be necessary for the installation of surveillance and communication systems, water pipes, gas pipes irrigation and any services, the Purchaser hereby consents to the requisite servitudes to be registered over the property and undertakes, when requested to do so, to sign all documents as may be necessary for such purpose.

10. TOWNSHIP SERVICES:

The Purchaser's attention is drawn to the provisions of Section 97 of the Ordinance, *inter alia*, the provision by the Owner of the guarantee/s required by the local authority in respect of the installation of engineering services for the township. The Owner is obliged to use its best endeavors

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to have the installation of services completed to the satisfaction of the local authority within a reasonable time, but the Owner does not warrant or represent that the said installation will be completed by any date. The Purchaser will not at any time be entitled to cancel this agreement or to claim a reduction in the purchase price of the property or to claim damages by virtue of the fact that the installation of services has not been commenced with or completed by any date.

11. PROHIBITION AGAINST ALIENATION PRIOR TO TRANSFER:

Before the date of transfer, the Purchaser, the Purchaser's nominated executors (in the case of death of the Purchaser), members, shareholders or trustees of the Purchaser are not entitled, to sell, donate, exchange or in any other manner to alienate or to burden the property or dispose of any members interest or shares in the Purchaser (in the case where the Purchaser is a company or close corporation, as the case may be) without the Owner's prior written consent being obtained. The Owner is not entitled to unreasonably withhold its consent to any such alienation, but should the Owner consent thereto, the Purchaser shall remain bound to every provision of this agreement. Furthermore, the Owner will be entitled to grant the said consent subject to such conditions as it in its discretion may deem fit.

12. TRANSFER:

- 12.1 The Owner's attorneys will attend to the registration of ownership of the property in the Purchaser's name.
- 12.2 The Purchaser shall within 5 (FIVE) days of being requested to do so by the Owner's attorneys do all things necessary to fulfill the terms of this agreement, and more specifically:
 - 12.2.1 Sign all documents as may be necessary to fulfill the terms hereof, and if the documents are signed other than at the offices of the Owner's attorneys, the signed documents shall be delivered to the Owner's attorneys within 3 (THREE) days of date of signature;
 - 12.2.2 Provide the Owner's attorneys of all original documentation as required in terms of the Financial Intelligence Centre Act no. 36/2001.
 - 12.3 It is recorder that the registration can only take place once the building work have been completed, and the Purchaser has signed a happy letter confirming completion. In the case of a dispute arising between the Developer and the Purchaser as to completion, the Architect responsible for drafting of the building plans will have the final say, and both the Developer and Purchaser will be bound by his decision.

13. COSTS:

- 13.1 The Owner is liable for payment of the costs of and related to the registration of ownership of the property in the name of the Purchaser.
- 13.2 The Purchaser will be liable for all costs relating to the registration of the bond procuring the bond amount over the property as foreseen in clause 5 hereof.

14. OFFER AND ACCEPTANCE:

14.1 Should this document be signed by or on behalf of the Purchaser or its trustees or other representative before it is signed on behalf of the Owner, this document shall constitute an offer to purchase the property from the Owner at the price and subject to the other terms and conditions set out in this document and the Purchaser or its trustees or other

representative hereby agrees that the offer shall be irrevocable and available for acceptance by the Owner within a period of 30 (thirty) days from being entitled to accept said offer in terms of Section 97 of the Ordinance;

14.2 The parties agree that the receipt of this document, duly signed by or on behalf of the Purchaser, by the Owner or its representative shall constitute acceptance of the Purchaser's said undertaking not to retract this offer for the said period of time and that no further communication by the Owner to the Purchaser is necessary for the acceptance of the Purchaser's said offer.

14.3 As soon as the Owner shall have signed this document a binding agreement of purchase and sale shall come into being between the Owner and the Purchaser in spite of the fact that the Owner may not have communicated the fact of such signature/or acceptance to the Purchaser. No notice to the Purchaser of the Owner's acceptance of the offer is required to bring about the agreement.

14.4 If Section 29(A) of the Alienation of Land Act No. 68 of 1981 applies to this agreement the Purchaser has the right to terminate this agreement by written notice delivered to the Owner within 5 (five) days after acceptance hereof. Such 5 day period is calculated with the exclusion of the day on which this was signed by the Purchaser and or any Saturday, Sunday or public holiday.

14.5 Such notice shall have no effect unless it is signed by the Purchaser or his agent, refers to this agreement as the agreement being terminated, and is unconditional. The Purchaser by his signature hereto acknowledged having read and being fully acquainted with all the material provisions hereof and that the meaning and consequences hereof have been explained to him.

15. AGENTS COMMISSION:

The Owner records that if agent's commission is payable by virtue of this transaction, The Owner will be liable for payment of the said agent's commission.

16. GENERAL:

16.1 Whole agreement

This document contains the whole agreement between the parties and there are no prior or parallel agreements between them.

16.2 Warranties and/or Representations

No warranty has been given or representation made by or on behalf of the Owner which induced the Purchaser to enter into this agreement. It is specifically agreed that no representation made by any estate agent in respect of the property or any other aspect of the agreement will be binding on the Owner, unless contained in writing in this agreement.

16.3 Writing

No alteration, addition, deletion or consensual cancellation of or to neither this agreement nor the waiver of any right will be of any force unless reduced to writing and signed by the Owner and the Purchaser.

16.4 Indulgence

No indulgence granted by the Owner in respect of the performance by the Purchaser of any obligation undertaken in terms of this agreement will novate the agreement or prejudice the Owner's rights in any manner.

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| Purchaser: | Owner: | Developer: |
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16.5.1 The parties respectively choose the physical addresses appearing under their names on the First Schedule of this document as their respective *domicilia citandi et executandi*.

16.5.2 The parties respectively elect the addresses appearing under their names on the First Schedule of this document for purposes of notices and correspondence given in terms of this agreement.

16.5.3 Any notice given by prepaid registered mail to the Purchaser care of his address elected in 18.5.2 above, will be deemed to have been received by the Purchaser and its contents to have come to the Purchaser's notice on the 7th (seventh) day after the date on which it was posted in the Republic of South Africa or on the date upon which the notice was relayed to the Purchaser by telefax, provided such telefax is sent during normal business hours. The provisions of the previous sentence do not preclude a party from giving notice to the other party in any other way. Furthermore, any notice to a party contained in a correctly addressed envelope and which is delivered by hand to a responsible person during ordinary business hours at the address such party has chosen as his physical address, shall be deemed to have been received by the addressee and the contents thereof to have come to the addressee's notice upon such delivery.

16.5.4 A party is entitled to amend its chosen street address or postal address by given written notice of the amendment to the other party, which notice shall be delivered or sent by prepaid registered post to the other party and will become binding on the other party upon receipt thereof.

16.6 Breach

Should the Purchaser fail to comply with any provision of this agreement whether it be a material provision or not, the Owner will be entitled to notify the Purchaser in writing by prepaid registered mail addressed to the Purchaser's address chosen in the First Schedule or by letter handed to the Purchaser of the failure and make demand to the Purchaser to rectify the failure within 7 (seven) days from the date on which the letter is handed to the Purchaser or is sent by prepaid registered mail (as the case may be) and inform the Purchaser of the steps the Owner intends taking if the breach is not rectified and should the Purchaser fail to remedy the breach by the said date the Owner will then be entitled without prejudice to any other rights which it may have and without further notice or process:

16.6.1 to cancel this agreement and to claim damages from the Purchaser and in such event the Owner will be entitled to retain all amounts already paid by the Purchaser in terms of this agreement as pre-estimated, liquidated damages or alternatively, to claim its actual damages from the Purchaser in which latter event the Owner will be entitled to retain all amounts already paid by the Purchaser until its damages have been quantified and then to set off its damages against the said payments; or alternatively

16.6.2 to claim specific performance by the Purchaser of all its obligations in terms of this agreement including the payment by the Purchaser of the full outstanding balance of the purchase price in spite of the fact that the said balance of the purchase price may, but for this provision, not yet be due. In addition the Owner will be entitled to claim damages from the Purchaser.

17 PERSONAL LIABILITY OF SIGNATORY

17.1 In the event of the Signatory to this agreement on behalf of the Purchaser having concluded this agreement in his capacity as a

trustee or for a close corporation or company to be formed (which signatory is hereinafter referred to as the "Signatory") then;

17.2 The Signatory by his signature hereto warrants that the said close corporation or company:

17.2.1 Will be formed;

17.2.2 Will ratify this agreement within a period of 14 (fourteen) days after date of signature; and

17.2.3 Will provide the Owner with written proof of such ratification within a period of 21 (twenty-one) days after signature.

17.3 In the event of the Signatory to this agreement on behalf of the Purchaser having concluded this agreement in his capacity as a trustee or for an already established trust, or as a member of a close corporation or company already incorporated :

17.3.1 In the case of a close corporation or company the Signatory hereto warrants that clause 17.2.2 and 17.2.3 above will be complied with.

17.3.2 In the case of a trust, the Signatory will within 14(fourteen) days after date of signature, furnish the Owner with a certified copy of the letter of authority issued by the Master of the High Court reflecting the Signatory as trustee of the Purchaser and with a resolution signed by all trustees of the Purchaser, confirming the Signatory as the trust's appointed signatory for purposes of signing this agreement and related documentation.

17.3.3 If the trust was not in existence on date of signing of this agreement, or in the event of the Signatory not being an appointed trustee on the letter of authority, or the Signatory was not authorized to sign this agreement, then the Signatory will by his/her signature to this agreement be deemed ipso facto to have concluded this agreement in his/her personal capacity as Purchaser.

17.4 The Signatory in his personal capacity hereby renounces the benefits of excussion and division, with the fuller meaning and effect of which he declares himself acquainted, binds himself and agrees to bind himself as surety and co-principle debtor in solidum with the company, close corporation, trust or company or close corporation to be formed by him, in favour of the Owner for the due and punctual performance of such entity's obligation to the Owner in terms of this agreement.

17.5 If the terms and conditions of clause 19.2 above are not fulfilled then the Signatory will by his signature of this agreement be deemed ipso facto to have concluded the agreement in his personal capacity as Purchaser.

18. SEVERABILITY:

Every paragraph and every clause contained in this document is severable from every other paragraph and/or clause and should any paragraph or clause (or part thereof) be void or voidable, it will be regarded as *pro non scripto* and the rest of the agreement will remain of force.

19. HOME OWNERS ASSOCIATION:

19.1 The Purchaser acknowledges that he is aware that:

There will be two governing bodies in the form of Home Owner's

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| Purchaser: | Owner: | Developer: |
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Associations applicable in the Township being:

A The Terra Nova NPC, with the responsibility of attending to the internal governing of the Township. The purchaser acknowledge that he will have representation on the Terra Nova NPC by means of a representative chosen by the home owners of the association for the estate whereof he will be a member by virtue of his ownership as referred to in this paragraph.

And

B The Home Owners Association of the estate as referred to in clause 1.1.11 and 1.1.12 hereof, whereof the purchaser will become a member on date of registration.

19.1.1 the local authority as a condition in the Conditions of establishment and /or services agreement in respect of the township, requires a Home Owners Association ("HOME OWNERS") to be established, and that the Purchaser, and his successors in title, is obliged to become a member of the Home Owners Association with effect from the date that the property is registered in his name and to remain a member for so long as he remains the registered owner of the property;

19.1.2 the objects and purposes of the Terra Nova Home Owners Association in general are to:

19.1.2.1 control the alteration, extension and renovation of buildings or properties forming part of the township;

19.1.2.2 ensure that all such building work is carried out in accordance with the Architectural Guidelines, landscape protocol, plans approved by the Home Owners Association and the relevant local authority; and

19.1.2.3 ensure and provide for the general maintenance, running and control of the township in order to promote the communal interests of the owners.

19.1.3 The Purchaser will be bound by the Memorandum of Incorporation of the Terra Nova Home Owners Association, as well as the Rules of the Home Owners, which is binding on him from the date that the property is registered in his name;

19.1.4 the Purchaser shall not be allowed to sell the property without the prior approval of the Home Owners Association and or NPC, which approval will only be granted once the Home Owners Association is satisfied that the terms of this Deed of Sale have been complied with and that the successor in title agrees to become a member of the Home Owners Association AND the NPC;

19.1.5 any third party to whom the Purchaser may wish to sell the property must first be accepted as a member of the Home Owners Association and NPC;

19.1.6 as a member of the Home Owners Association, the Purchaser shall be obliged to pay levy contributions with effect from the occupation date and which levy shall be utilized, *inter alia*, towards:

19.1.6.1 payment of electricity, gas and water consumed in respect of common areas in the estate;

19.1.6.2 security costs;

19.1.6.3 maintenance, reparation and replacement of property

belonging to the HOME OWNERS, such as streets and parks, as well as the security walls/fences, if applicable,

19.1.6.4 rates and taxes in respect of streets, parks and other common areas;

19.1.6.5 such other purposes as the rules of the HOME OWNERS may prescribe (the common expenses') from time-to-time;

19.1.7 The levy shall not include:

19.1 .7.1 rates and taxes and other amounts levied directly by the relevant authority in respect of the property hereby sold, from the owner;

19.1 .7.2 the cost of water, gas and electricity consumed by owners which latter three amounts will be determined from separate sub-meters and will be collected from each owner as a separate charge, either by the HOME OWNERS's service provider or the Local Authority.

19.1.8 The Purchaser is liable for a percentage of all common expenses, such percentage to be calculated by the formula adopted by the HOME OWNERS.

19.2 The Purchaser accordingly will :-

19.2.1 remain a member of the Home Owners Association for so long as he shall be the owner of the property and to abide by the constitution and rules of the Home Owners Association;

19.2.2 ensure that the provisions of this clause are contained in any subsequent agreement of sale of the property;

19.2.3 cause all documents necessary to give effect to the aforesaid to be signed prior to the transfer of the property into the name of his successor in title.

19.3 The Purchaser furthermore agrees to the insertion in the title deed of the property of the following conditions namely:

19.3.1 The property hereby transferred shall not be sold or alienated in any manner or transferred without the written consent of Home Owners Association, which consent shall not be unreasonably withheld, of which the within transferee and each of his successors in title shall be obliged to be a member for so long as he is the registered owner of the property.

19.3.2 No improvements of any nature whatsoever shall be erected on the property, nor shall any exterior alterations, renovations or extensions to any building/s or other structures erected or to be erected on the property be made without the prior written approval of Home Owners Association, which consent shall not be unreasonably withheld.

19.3.3 Any other condition(s) which may be required to be inserted by the local authority as conditions of approval of the township and subdivision relating thereto.

19.4 In the event of the Registrar of Deeds requiring the amendment of any of the above mentioned conditions in any manner to effect registration of same, the Purchaser hereby authorizes the Owner to make the necessary amendment.

20. OWNERS WARRANTIES/ UNDERTAKINGS

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| Purchaser: | Owner: | Developer: |
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The Owner hereby gives the following warranties / undertakings:

20.1 To within a reasonable time:

20.1.1 Complete the estate;

20.1.2 Complete the common facilities;

20.2 To erect a wall and gatehouse around the estate .

20.3 To transfer ownership of the streets in the proposed township and estate to the Terra Nova Home Owners' Association free of charge and in good condition ,on completion of the total Terra Nova Township Estate.(This includes Terra Nova Proper, Extensions1,2,3 and 4)

21. SUNDRY CHARGES:

21.1 The Purchaser shall be liable for a pro rata share of rates and taxes payable in respect of the property with effect from registration of transfer and for levies payable to the Home Owner's Associations from the occupation date.

21.2 The Purchaser, if taking occupation before date of registration, will be liable for occupational rent as set out in clause 1.1.19, from date of occupation, to date of registration, payable monthly in advance, but repayable to the purchaser on a pro rata basis, calculated on the number of days of unregistered occupation.

22. SUSPENSIVE CONDITIONS:

This agreement is subject to the following suspensive conditions:

22.1 That the Purchaser will obtain a loan as indicated in clause 5 for the balance of the purchase price.

22.2 That the Purchaser will pay an initial deposit as referred to in A.3 of the First Schedule and clause 4.5 of this schedule respectably.

23. BUILDING OPERATIONS:

The Purchaser acknowledges that the township in which the property is situated is not fully developed, that building will take place upon adjacent or neighboring subdivisions of erven and that the said building operations may cause the Purchaser certain inconvenience. The Purchaser acknowledges that he shall have no claim either as against the Owner or against the builder arising out of such building operations.

The Purchaser further hereby acknowledge that the developer will not be liable for the payment of levies to the home owners while building operations are still in progress.

24. CESSION

The Purchaser hereby consents to the cession of the Owner's rights in terms of this agreement to any financier, without the consent of the Purchaser.

25. SPECIAL CONDITIONS

This agreement is subject to the following special conditions:

25.1 The Purchaser agrees that he has inspected and familiarized himself with the show houses, and that finishes of the houses on the property bought will be similar to that as inspected by him in

the show houses, and as set out in the Fourth Schedule, as initialed by all parties. Accordingly, the improvements sold herewith, will be in accordance with that as inspected, **furniture, where applicable, excluded.**

25.2 The Purchaser in accordance with clause 25.1 above acknowledges that the property will only be transferred to his name once a occupation certificate relating to the erf and improvements have been issued, and that the property might be unimproved on date of signing of this agreement. The Owner gives no warranties as to the date of completion as the estate might be phased to the owner and developer's discretion.

26 CONSUMER PROTECTION ACT

26.1 It is recorded that the Owner is a producer as defined in the CPA and that the erf is sold with an "implied warrant of quality" as provided for in Section 56 of the CPA, meaning that the improvements will comply with the standards contemplated in Section 55 of the CPA which states that:

- 26.1.1 It will be reasonably suitable for the purpose for Which is was generally intended
- 26.1.2 it is of good quality, in good working order and free of defects
- 26.1.3 it will be usable and durable for a reasonable period Of time, having regard for the use and surrounding Circumstances.

EXCEPT for the extent that the erf have been altered after having left the control of the owner.

26.2 It is further recorded as foreseen in section 55 of the CPA THAT:

26.2.1 The Purchaser agrees to accept the erf as it stands Provided that the improvements are erected in a

Workmanlike fashion and substantially in terms of Building plans and specifications.

26.2.2 As stated in clause 12.3 hereof, in the event of a dispute arising whether work was done in a workmanlike fashion, the developer will do everything required by the architect until the architect is satisfied as to the workmanship according to the building plans and specifications. If, the architect after his first inspection determines that the work was done to his satisfaction and according to the building plans and specifications, the Purchaser will pay his costs relating to the inspection, otherwise the developer will be liable for his costs.

26.3 It is further noted that this agreement was concluded as a result of direct marketing as defined in terms of the CPA , and that the Purchaser will therefore be entitled to the rights afforded him in terms of Section 16 of the CPA.

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| Purchaser: | Owner: | Developer: |
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SCHEDULE 2

TERRA NOVA HOME OWNERS' ASSOCIATION CONDUCT RULES

INTRODUCTION:

The objective of the Terra Nova Township Home Owner's Association is the provision of a high quality lifestyle for residents. The intention of Conduct Rules is to provide a means of protecting this lifestyle through an acceptable code by which members may live together, reasonably and harmoniously, to the benefit of all without interfering with others' enjoyment. The rules have been established in terms of the Memorandum of Incorporation of the Terra Nova Homeowners Association (HOA) and they are binding upon all occupants of the Estate.

The Board of the Home Owner's Association, in terms of the Articles of Incorporation, is given the power to make rules for the management, control, administration, use and enjoyment of the Estate. The Board has the power to substitute, add to, amend or repeal any rule. The Articles of Incorporation require the rules to be reasonable, binding on, and to apply equally to all occupants.

Based upon this rationale, the rules should be seen to be neither restrictive nor punitive, but rather as a judicious framework to safeguard and promote appropriate, sensible and fair interaction.

The Board also has the right to impose financial penalties (fines) to be paid by those members who fail to comply with the rules. Fines, where imposed, shall be deemed to be a part of the levy due by the Owner. Further, the Board may enforce provisions of any rule by application to the courts.

In this document the Board, and the Home Owners Association, acting in whatever capacity, will be referred to as "the HOA" and "the Directors".

In the event of any further Home Owners' Associations or Body Corporates arising within the Terra Nova Town as a result of the growth of the towns, such Home Owners' Associations will be subject to the Terra Nova Home Owners' Association Rules as embodied herein.

INTERPRETATION:

In the context of this document the following meaning will be attributed to the following words:

| | |
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| Memorandum of Incorporation | : The Memorandum of Incorporation of the Terra Nova Home Owners Association. |
| Approved Building Plan | : Plans as approved by the HOA'S architectural sub -committee, as well as the Govan Mbeki Local Municipality |
| Architectural Guidelines | : Those guidelines as approved by the HOA to be complied with, when a new building is to be erected in the Town. |
| Board | : the directors assembled as a Board at which a quorum is present |
| Body Corporate | : The organization of owners of units in a Sectional Title Scheme constituted in terms of the Sectional Titles Act 95 of 1986, Responsible for the administration of all the units in a Sectional Title Scheme |
| Committee | : any Committee appointed by the Board to assist the Board in maintaining the standards of living in the Town. |
| Conditions of Establishment | : The conditions applicable on each extension of Terra Nova as lain down by the Local Authority and as set out in the proclamation notice published in the Provincial Gazette. |

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| Purchaser: | Owner: | Developer: |
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| Contractors Code of Conduct | : A set of rules as set of by the Board or any committee for the conduct of contractors active in the Estate at any given time, and instructed by any owner or the HOA |
| Town : | TERRA NOVA Proper, ext 1, 2, 3 and 4, all proclaimed as private Town |
| Dwelling | : Construction of a building on a stand as indicated by the approved building plan for the stand, suitable for occupation and use by natural persons |
| Freehold dwelling | : A single dwelling unit of whatever nature in the Town |
| HOA | : The Terra Nova Home Owners’ Association, a company not for gain and without members, incorporated in terms of the provisions of the Companies Act 71 of 2008 (Registration Number 2013/031981/08) |
| Estate | : An Estate of houses developed on a single erf in the Town, and enclosed by one single wall or fence and with restricted entrance, or a body corporate when such an Estate is registered under the Sectional Titles Act |
| Local Authority | Govan Mbeki Local Municipality |
| Sub Committee | : A committee appointed from the owners in an Estate, with the exclusive purpose of maintaining and managing that Estate , or in the case of a Sectional Title Scheme estate, the body of Trustees thereof |
| Levy | :Means the levies referred to in clause 7 of the Memorandum of Incorporation |
| Member | : Means an owner of a dwelling in an Estate or of a unit in a Sectional Title Development, which ownership entitles such owner to membership either of a sub-committee or a body corporate, as the case may be. |
| Owner | : Means a Purchaser, Co- Owner, Corporate Owner, Trustee, Director, Lessee, Family member, also a Invitee or Guest |
| Promulgation | : Date of Establishment of the HOA in the Office of the Registrar of Companies, OR , when applicable on Estates, the date of transfer of the first stand or unit is such Estate to an owner other than the developer |
| Reside | :To reside on a erf/ in a unit/ within the Town, in any capacity as defined under "owner" |
| Directors | : The Directors of the HOA as appointed from time to time |
| Unit | : Land, erf, stand, dwelling and / or outbuilding, or sectional title unit. |
| Utilities | :Any service including but not limited to, water, gas, electricity or internet connectivity as provided by the HOA |
| Manager | :The Manager of the HOA appointed by the Board responsible for the management of the HOA . |

1. PROMULGATION OF RULES

1.1 As from the date of promulgation of these rules they shall all apply forthwith and all residents and owners shall be required to abide thereby. The

Signed:

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| Purchaser: | Owner: | Developer: |
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Board has the power to in itself, or by means of a designated Rules Committee, appointed in the discretion of the Board, make, add to, amend or repeal these rules. These rules will be re-printed on a regular basis, and will include any changes or amendments made in the preceding period. The date of the update will be printed at the foot of each page. For the purpose of these rules, "Owner" means a Purchaser, Member, Co-owner, Corporate Owner, Trustee, Lessee, Family Member, Invitee or Guest.

1.1 Any existing practices in conflict with the new rules shall cease immediately, unless otherwise resolved as follows: - Where a specific conflict arises between a new rule and an existing practice of long standing and an owner feels legitimately aggrieved, the Board may decide to allow the partial or total relaxation of the new rule, to permit the existing practice to remain, or to be suitably adjusted and reconciled. Any decision resulting from such consideration shall be entirely at the Board's discretion and shall be binding on all parties.

1.2 Any contravention of the rules by any person who gains access to the Estate under the authorization of an Owner shall be deemed to be a contravention by that Owner.

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| Purchaser: | Owner: | Developer: |
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Guidelines applicable and must be approved by the Architectural Committee, against payment of the prescribed fee and building deposit. This applies to any additions and alterations to existing structures as well. The complete set of Architectural Guidelines will be available from the HOA on request.

3. USE AND OCCUPATION OF A UNIT:

- 3.1 The use of a Unit shall be governed by Zoning applicable in terms of the Local Municipality Town Planning Scheme in force at the time, or any other approved scheme applicable to the Estate from time to time. A Unit may **only** be used for the specific zoning purposes applicable on that unit .
- 3.2 The maximum number of persons allowed to reside at any one dwelling shall not exceed the number of legitimate bedrooms in the dwelling multiplied by two.
- 3.3 No harmful or inflammable substances or substances which contravene the EIA (if applicable) may be kept on the Estate. (This rule shall not apply to the keeping of such substances and in such quantities as may reasonably be required for domestic use).

4. UPKEEP AND MAINTENANCE OF RESIDENCES

- 4.1 The exterior of every 'freehold' dwelling together with fences, driveways etc., must be continuously and at all times maintained by the owner in a, tidy, neat befittingly repaired, painted and property kept condition.
- 4.2 Where in the opinion of the directors the condition of a dwelling is not up to the required standards, the directors shall give written notice to the Owner, and the applicable Sub Committee or Body Corporate, as the case may be, to carry out the necessary improvements within a specified time. Should the Owner fail to carry out such work as requested, the directors shall be entitled to carry out that work and to recover the reasonable cost thereof from the Owner, which amount shall be deemed to be part of the levy due by the Owner.
- 4.3 Plans for gazebos must be approved prior to installation.
- 4.4 Freestanding sheds for tools or gardening equipment are prohibited. Wendy houses are only allowed as a temporary builder's shed
- 4.5 Nothing may be placed on or attached to a dwelling or any other structure, other than in accordance with prior written approval from the directors. The request for such approval may require a description and/or drawing and/or plan as may be necessary to fully define the request. (This item applies to the likes of external air conditioning units, DSTV Dishes awnings, etc. even when not directly attached to the building).
- 4.6 Free standing doll's houses, children's play houses or jungle gyms (play centers) in gardens require written permission from the directors prior to installation and such items shall only be allowed provided they are in line with the style and amenities of the Estate, and will have no possible detrimental effects on neighbours. It is recommended that liaison be made with neighbours before any of the above is applied for

4.7 Should an owner decide to have a residence re-painted the colour must be approved by the directors. Should the owner proceed without having the colour approved, the HOA shall repaint the residence and recover the reasonable cost thereof from the Owner, which amount shall be deemed to be part of the levy due by the Owner.

4.8 Any decisions taken by the directors in terms of Rules 4.2 to 4.7 above shall be deemed final and binding.

5. UPKEEP AND MAINTENANCE OF GARDENS

- 5.1 All gardens should be neat and well cared for
- 5.2 Normal garden refuge will be handled in terms of clause 15.2.
- 5.3 Should a garden not meet the required standards, the owner will be informed thereof in writing and given a specified time to rectify the situation.

6. THE STREET SCAPE

- 6.1 Every Owner has a responsibility to the community as a whole to maintain the area between the road kerb and the boundary of his property
- 6.2 Garden fences/walls and out buildings forming part of the streetscape should be maintained and painted where necessary, otherwise the directors will have the fence repaired or painted and the costs charged to the Owner
- 6.3 Caravans, trailers, boats, tool sheds, equipment, tools, engine and vehicle parts as well as accommodation for pets, should be sited out of view and screened from neighbouring properties.
- 6.4 Building material may not be dumped on the sidewalks under any circumstances.
- 6.5 No trees, plants or sidewalk lawn may be removed without the permission of the directors. Planting should not interfere with pedestrian traffic or obscure the vision of motorists.
- 6.6 The exterior of every dwelling together with fences, driveways, etc., must be continuously and at all times maintained by the Owner in a clean, tidy, neat and befittingly repaired, painted and properly kept condition.
- 6.7 The maintenance of the exterior of Sectional Title units is the responsibility of the relevant Body Corporate.
- 6.8 Where, in the opinion of the directors, the condition of the streetscape is not up to the required standards of the Estate: the directors shall give written notice to the Owner, sub- committee or Body Corporate, as the case may be, to carry out the necessary improvements within a specified time. Should the Owner or Body Corporate fail to carry out such work as requested, the Association shall be entitled to carry out that work and to recover the reasonable cost thereof from the Owner or Body Corporate, which amount shall be deemed to be part of the levy due by the Owner or Body Corporate.

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| Purchaser: | Owner: | Developer: |
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7. ENVIRONMENTAL MANAGEMENT:

- 7.1 No rubble or refuse should be dumped or discarded in any public area, including the gate, walkways, parks or streets.
- 7.2 A particular appeal is made to residents to leave open spaces they visit in a cleaner condition than in which it was found. Residents are requested to develop the habit of picking up and disposing of any litter encountered in the open spaces.
- 7.3 Flora may not be damaged or removed from any public area.
- 7.4 Fauna of any nature may not be chased or trapped in any public area, be it by people or by dogs or cats
- 7.5 Residents are responsible for maintaining trees, plants and shrubs planted on their pavements by themselves or the HOA.
- 7.6 Residents are expected to maintain a high standard of garden and pavement maintenance.
- 7.7 Residents must ensure that declared noxious flora is not planted or growing in their gardens.
- 7.8 Swimming pool water may not be emptied into open areas but must be channeled into the storm water system.
- 7.9 Vacant stands must be kept clean on a regular basis to the satisfaction of the directors, and if not maintained, the directors reserve the right to clean the stand at the Owner's expense.
- 7.10 The resident's use of the open space areas is entirely at their own risk at all times.
- 7.11 If an owner wishes to make his own compost, this will only be allowed in approved, closed containers and is to be kept neat at all times.
- 7.12 An erf should be kept in a state free of fire-risk at all times.

8. SECURITY

- 8.1 All security procedures in force from time to time shall be strictly adhered to at all times by all persons inside the Estate, as well as may become applicable on the Town from time to time.
- 8.2 Security measures in force on every stand will be handed to the owner of such stand on date of the owner occupying the dwelling, or in the case of a vacant stand, on date of the commencement of the building work thereon.
- 8.3 Every Estate will have its own security system in its own discretion. If the costs for the system decided on by the owners exceeds the costs budgeted for by the Directors, the difference will be collected by adding it to the levy payable by the owner to the HOA , and as set out in clause 20 of these rules.

9. VISITORS, CONTRACTORS AND EMPLOYEES:

- 9.1 The occupiers of any property within the Estate are liable

employees, and must ensure that such parties adhere to these Rules.

- 9.2 Every Owner must ensure that contractors in his employ have signed the Contractors Code of Conduct and adhere to the stipulations of the contract.

10. LETTING OR RE-SELLING PROPERTY:

- 10.1 Should an Owner want to sell or lease his property, only an Estate Agent accredited by the HOA may be selected to manage the sale or lease.
- 10.2 The accredited agent must ensure that the buyer/lessee is informed about and in receipt of a copy of the Rules and Regulations, Architectural Guidelines, Contractors Code of Conduct and any other administrative regulations applicable at the time.
- 10.3 A clearance certificate must be obtained from the HOA prior to any transfer. Such clearance certificate shall not be issued if there are any arrears on the member's account.
- 10.4 The Seller or lessor of a property in the Estate shall ensure that the sale/lease agreement contains the following clauses:

10.4.1 Sale:

10.4.1.1 Home Owners' Association

The Purchaser acknowledges that he/she is required upon registration of the property into his/her name, to become a member of the Estate's Home Owners' Association and agrees to do so subject to the Memorandum of Incorporation and these conduct rules of the Terra Nova Home Owners Association.

10.4.1.2 Conditions of Title(as laid down by the conditions of establishment):

The Seller shall ensure that, in addition to all other conditions of title and/or subdivision referred to above, the following conditions of title be inserted in the Deed of Transfer, in terms of which the purchaser takes title to the property: 'Every owner of the erf, or any subdivision thereof, or any interest therein, or any unit thereon, as defined in the Sections Titles Act, shall become and shall remain a member of the Homeowners Association and be subject to its constitution, until he ceases to be an owner as aforesaid.

Neither the erf, nor any subdivision thereof, or any interest therein, nor any unit thereon, shall be transferred to any person who has not bound himself to the satisfaction of such association to become a member of the Homeowners Association'. The owner of the erf, or any subdivision thereof, or any interest therein, or any unit thereon as defined in the Sectional Title Act, shall not be entitled to transfer the erf or any subdivisions thereof, or any interest therein, or any unit thereon, without a clearance certificate from the Homeowners Association that the provisions of the Articles of Association of the Homeowners Association have been complied with'.

The term 'Homeowners Association' in the aforesaid conditions of title shall mean the Estate's Homeowners

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| Purchaser: | Owner: | Developer: |
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which will be formed in terms of the Articles of Association and Conduct Rules of the Terra Nova Home Owners Association. In the event of the Registrar of Deeds requiring the amendment of such conditions, in any manner in order to affect registration of same, the purchaser of same hereby agrees to such amendment.

10.4.1.3 The Seller must personally ensure that the buyer is informed about and in receipt of a copy of the Rules and Regulations, Contractors Code of Conduct and any other administrative regulations applicable at the time.

10.4.2 Lease

10.4.2.1 The lessee and his family and visitors and servants shall upon occupation of a premise, adhere to the Rules and Regulations as contained in this document.

10.4.2.2 The lessor must personally ensure that the lessee receives a copy of the Rules and Regulations, and are informed of any other administrative regulations applicable at the time and that he acknowledges that he binds himself to the rules and regulations in the lease.

10.4.3 Accreditation of Estate Agent

10.4.3.1 An Estate Agent is accredited after signing an agreement with the HOA. Such agent will abide by the stipulated procedures applicable to the sale and/or a lease of the property in the Estate, and after having been inducted with respect to the concepts, rules and conditions under which a buyer and/or Lessee purchases and/or leases the property in Terra Nova Town.

10.4.3.2 Accreditation of Estate Agents may be reviewed by the HOA from time to time.

10.4.3.3 The accreditation policy for Estate Agents may be reviewed by the HOA from time to time.

11. PETS:

11.1The local authority bylaws relating to pets will be strictly enforced.

11.2Without the written approval of the directors, no person may keep more that two dogs and two cats on the property.

11.3No poultry, pigeons, aviaries, wild animals or livestock may be kept on the Estate.

11.4No pets are allowed to roam the streets.

11.5Pets must be walked on a leash in public areas.

11.6Should any excrement be deposited in a public area, the immediate removal thereof shall be the sole responsibility of the owner of the pet.

11.7Every pet must wear a collar with a tag indicating the name, telephone number and address of its owner. Stray pets without identification tags will be apprehended and handed to the Municipal Pound.

11.8The Directors reserves the right to request an owner to remove a pet should it become a nuisance in the Estate.

12. USE OF ROADS

The roads on the Town, in spite of being 'private', are in fact used by the public. Because of this, and for the safety of all Residents and road users, it is necessary to apply the provisions of the Road Traffic Act 29 of 1989(as amended). The roads are for the uses of all, whether on foot, skates, cycles, golf carts, cars, busses or trucks, and in our exclusive environment, this places extra responsibility and awareness on all who use these roads, but more particularly on all adults and especially parents who need to educate and control their children

12.1The speed limit throughout the Town and Estates is 40 kilometers per hour.

12.2Pedestrians must be given the right of way.

12.3No person shall operate any vehicle upon any places within the Town unless he is the holder of a valid driver's license. Engine powered vehicles, cars and motorcycles may be operated only on surfaced roads. (Sidewalks and open lawn areas are 'out of bounds' to vehicles.). Operating any kind of vehicle on the Estate while under the influence of alcohol or drugs, which may impede the driver's ability to control the vehicle, is prohibited. Operating any vehicle in such a manner as to constitute danger or a nuisance to any other person or property within the Estate is prohibited.

12.4Parking on sidewalk sand, open lawn areas, or in front of driveways to residences is prohibited. Parking may only be done in areas so designated for that purpose.

12.5Scooter bikes, beach or dune buggies or any other vehicle with noisy exhausts may only be driven in a quiet manner on the roads to allow access from the gates to residences, or vice-versa, and under no other circumstances.

12.6Skates are a matter of concern to drivers when encountered on roads. While no-one wishes to turn any Estate into a sterile "non-playing area", in the cause of safety, parents are obliged to instruct their children to stop skating and get off the road as soon as any vehicle approaches.

13. SPORTING, RECREATION AND COMMUNITY FACILITIES

13.1In the event of an Communal swimming pool being built, swimming will be allowed only between the hours 05h30 and 21h00 each day. An adult must continuously accompany children under the age of 15. Radios and music players, if used around d the pool, should only be at very soft and muted volumes. Pool furniture must not be removed from the facility. The pool must be used in such a way as to not create an unreasonable nuisance or disturbance to those residents and only the appointed persons (outside agents or specially authorized residents) may operate the equipment. Surfboards, cold drink cans and hard objects of any sort are totally prohibited in the pool.

13.2Community facilities are for the use of members and their guests only. The facilities may be booked for special communal functions or occasion for residents through the HOA's Office.. Exclusive use is not permitted, and access by other residents to the facilities will be permitted during such functions. Private use of the

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| Purchaser: | Owner: | Developer: |
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circumstances may community furniture or equipments be removed from the facility. It is the duty of whoever uses the facility to clear away all rubbish, stack away the cushions and chairs, and leave the place in a clean and tidy condition. Any damage to facilities is to be reported to the Manager and if any such damage is due to the actions of a resident, any repairs will be to their account.

- 13.3 Horse riding may become available within the Town. If horse riding becomes available, the Rules shall be amended to include the relevant requirements to control the use of horses on the Town.
- 13.4 Dams/Lakes/streams/rivers etc., where they are part of the Town, have a certain area of "common property" around it. Residents are required to exercise respect and not intrude on the privacy of residents whose properties front onto the lakes/dams, rivers. Swimming, boating, floating or sailing in any of the dams, lakes, streams or rivers is prohibited.
- 13.5 Private camping is not permitted anywhere within the Town.
- 13.6 Picnicking is not permitted on any common property under the jurisdiction of the HOA, other than in areas specifically demarcated for such us.
- 13.7 Boating is not permitted on any dam.
- 13.8 Fishing is permitted in some of the designated dams, rock pools and rivers under the jurisdiction of the HOA, using light dam or river rods. The use of large rods and any from of net is prohibited and catching is only allowed on a catch and release basis.
- 13.9 Discharging of any firearm, air-gun or other lethal weapon is strictly prohibited, save in self-defense, or where authorized in special circumstances by the Manager.

14. PAYMENT OF LEVIES:

- 14.1 Levies are calculated as set out in clause 7 of the Memorandum of Incorporation, and revised on a yearly basis at the Annual General Meeting held by the HOA in accordance with the provisions contained in the Memorandum of Incorporation.
- 14.2 All levies are due and payable in advance on the first day of each and every month, and will be calculated from date of registration of a unit into the name of an owner.
- 14.3 Interest shall be raised on all arrear accounts, such interest to be calculated monthly in advance at the rate of 2% (two percent) per month, compounded monthly, from the due date to the date of actual payment, both days inclusive.
- 14.4 A certificate issued by any authorized trustee or any other person designated by the directors as to the amount of any debt (as referred to in the Memorandum of Incorporation) shall be sufficient proof thereof, it not being necessary to prove the designation, authority or capacity of the signatory to such certificate.
- 14.5 Levies unpaid after a period of 60 days will be handed over for Legal Collections for the purpose of enforcing recovery

as are available to the HOA in terms of these rules or at law. In the event of such handover or in the event of the directors seeking legal advice and/or implementing any legal proceeding against a member, the HOA shall be entitled to recover from the offending member all legal costs incurred in connection with the afore mentioned, on the scale as between attorney and own client, together with all relevant disbursements.

- 14.6 Levy amounts may not be reduced or offset against real, perceived, partial or non-provision of services or for any other reason unless previously sanctioned by the HOA in writing.
- 14.7 Levies on units or dwellings still owned by the township owner/ developer will only be levied from date of delivery of an occupation certificate by the city council per unit or dwelling
- 14.8 In the event of an owner's levies being in arrears, the directors will have the right to refuse the sale of any utility on the pre- paid system, until the levies and applicable penalties have been paid up to date to the HOA.

15. GENERAL

15.1 General Conduct

Respect and general consideration by all members and residents for all other members and all users of the Town should be exercised at all times. Unreasonable disturbance, inconvenience, annoyance, being a nuisance to, or interference with any other members or residents, or their rights, in any manner deemed by the HOA to be unacceptable to harmonious living, is strictly prohibited.

15.2 Domestic and garden refuse

All domestic refuse shall be put into black plastic bags purchased by the Owner and kept in an animal proof bin, purchased by the Owner from the HOA, in a suitable place within his property and screened from public or neighbors view. On prescribed days and times the bags must be placed by the resident in the animal proof collection bins ready for collection. Garden refuse may be put out with domestic refuse but in green bags as directed under upkeep and maintenance of gardens. Where refuse is of such a size or nature that it cannot be removed by the normal service, the Owner shall make special arrangements with the refuse contractor or a private contractor, and all costs thereof shall be for the Owners account.

15.3 Signs

No signs may be displayed in the Town or in a Estate (giving the name of builders, decorators, furnishers, alarm companies, garden installers, garden maintenance contractors, and the like). (This rule *shall not* apply to the regulation notice board required by the Guidelines for the erection of new buildings, nor for Security signs depicting zones on the perimeter fence). All decorative house name boards must conform as to size, colour and position, within the requirements of the HOA. No flags, flagpoles, or

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| Purchaser: | Owner: | Developer: |
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private residential units in the Town. (This rule shall not apply to HOA, Club or Commercial property, provided approval of the HOA is obtained). Under special circumstances for religious reasons *only*, relaxation *may* be considered upon written application to the Board *but* no guarantee is implied that permission will be given.

15.4 Satellite Dishes

Terrestrial and Satellite TV are both the prerogative and responsibility of the Owners. Positioning of dishes and aerials is subject to permission being obtained from the directors prior to installation, and provided that these are erected in accordance with the architectural guidelines.

15.5 Adverts/Publicity Material

No private, religious or commercial advertising notices or brochures are permitted to be distributed around the Town.. This does not include letters or notices to Owners from the HOA.

15.6 Hooting

The use of car hooters within the Town to beckon or attract residents or servants is prohibited.

15.7 Auctions/Jumble Sales/Garage Sales

Any form of public auction or sale on any property within the Town is prohibited (other than with the prior written permission from the Manager).

15.8 Use of and Conduct in Open Spaces

The lighting of fires in any open space on the Town is prohibited unless for the express purpose or braaiing at an authorized function, or at an ordinary residential activity, and provided the braai is in a proper receptacle/burner specifically built for that purpose at a community or picnic site. Disturbing, collecting or destroying of plant material is prohibited except by authorization from the Manager. Disturbing, harming or destroying any wild animal or bird is prohibited. (Should wild animals become a nuisance; the problem should be brought to the attention of the Manager). The use of any open space in a manner or through conduct, which may unreasonably interfere with the use and enjoyment thereof by other persons, or in such a way as to cause a nuisance which may detrimentally affect the amenity or such space, is prohibited. Littering or discarding of any item whatsoever on the Town is prohibited except in receptacles specially provided. The pollution of any pond or stream is prohibited.

15.9 Domestic Employees:

For the purpose of these rules, Domestic Employees shall be defined as "any assistant" paid by the Owner. All employers will see to it that employees adhere to these rules at all time

15.10 Fireworks

The lighting or letting off of fireworks within the Town is strictly prohibited at all times.

15.11 Parties and functions on the Estate

Ordinary dinner parties and other social gatherings of reasonable proportions are part of normal living and of good social interaction. They pose few, if any problems. However, the holding of large celebratory functions at private residences within the Estate is discouraged for reasons of disruption to security, parking and the general disturbance of and inconvenience to other residents. Special permission for a function to be held within the Estate, where **more than 15** people may be attending, must be timeously sought, prior to the proposed date of such function. Such permission will not be lightly given and, in the unlikely event of permission being granted, cognizance shall be taken by the HOA of the position of the residence in relation to gates and to neighbours, parking availability, time of function, type of music to be provided, size and position of any proposed marquee, arrangements at gates, requirements for security and additional guards, as well as other matters of importance to the situation, all of which may result in the possible imposition of restrictions and/or special conditions as may be deemed fit by the Board.

15.11.1.1 Restrictions imposed on any function shall be strictly adhered to. For the purpose of these clauses "functions" shall mean any celebratory function, party, ceremony, reception, event, or gathering etc. where **more than 15 people may be attending.**

15.12 General Aesthetics/Standards

Veranda/garden furniture or any other external appurtenances, decorations, decorative lights, drapes, buntings, umbrellas, signs, symbols which, in the opinion of the Board, are aesthetically displeasing or uncomplimentary to the general amenity and ambience of the Town or the Estate as the case may be may not be displayed.. Garage doors must be kept closed at all times, other than when legitimate ingress or egress is taking place

15.13 Disturbance

No resident may, according the judgment of the HOA, make a nuisance of him/herself in any way with disturbing behavior. Parties lasting till after midnight must quiet down. The use of any disturbingly noisy equipment is restricted to weekdays and Saturday and Sunday mornings (7H00 to 13H00). Use of this kind of equipment is prohibited on Sundays

15.14 Drying of washing

No garments, household linen or general washing of any nature may be hung out or placed anywhere to dry, except in a screened drying yard or other designated area. Items of washing must not be visible from the roads or from the common areas and must be reasonably screened from the direct view of neighbors

16. FAILURE TO COMPLY WITH THE RULES

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| Purchaser: | Owner: | Developer: |
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from time to time, as it may deem necessary to ensure the happy and orderly co-existence of occupants.

16.2 Failure to comply with any provisions of any rules may result in: a call for an explanation and/or an apology, and/or a reprimand and a request to comply, and/or the withdrawal of any previously given consent applicable to the particular matter, and/or an order to pay for damages resulting from non-compliance with any rule, and/or an application to the courts for the enforcement of the rule/s.

16.3 In addition to Rule 16.2 above, where any of the rules have been breached by a member, resident, visitor, occupant, contractor, subcontractor and/or Estate agent or any person bound by these rules, the directors shall have the right to penalize transgressors. Such penalties imposed by the directors shall be reflected on the monthly levy account and shall become due and payable in respect of the month in which any such penalty has been levied. Penalties may be levied according to the schedule for penalties as approved from time to time by the Board, as revised.

16.4 The actions to be taken and the penalties to be imposed for breaches or contraventions of the rules shall be entirely at the discretion of the directors, who shall take due regard of the nature, circumstances and severity of each misdemeanor, breach or non-compliance.

16.5 Should any owner be aggrieved by any decision made by the directors they may, within 7 days of the finding, lodge an appeal to the Board, giving his/her reasons for such an appeal.

17. PRE PAID UTILITIES AND GAS INSTALLATION

17.1 By virtue of the Town being administered as a "green" Town, the Use of Electrical stoves, heaters or geysers will be prohibited. All the mentioned appliances will be supplied with gas energy.

17.2 All gas appliances will be installed by the developer according to applicable legislation and safety requirements.

17.3 Gas will be provided to the owners by a service provider as per agreement between the HOA and the service provider, and will be distributed to Owners on a prepaid system.

17.4 The use of gas as a source of energy necessitates the following rules:

(a) No trenches or holes may be dug by any owner deeper than 300 mm.

(b) In the event of a garage or that part of any building housing the gas meter, being enclosed, a ventilation pipe must be installed from the regulator in such a manner that it allows for safe release of any excess gas from the regulator into the open air.

(c) **No outdoor braai or any other open fire appliance may be installed by any owner without the written consent from the board first having been obtained.** Such consent will not be unreasonable withheld, but will be granted with such safety requirements needed in relation to the existing gas appliances installed, as may be necessary in each case.

prescribed requirements. In the event of any such requirements not being met, the board will have the authority to have any such appliance installed removed immediately, the cost thereof to be added to the owner's levy.

(d) Any damage done to gas piping or equipment due to the owner not complying with these rules will be for the account of the owner,

18. AGREEMENTS

All members acknowledge that the HOA has and will enter into agreements with third parties and or service providers from time to time for the provision of services and utilities within the Town, and shall abide by any regulations and or requirements as set out by the HOA in relation to such agreements to enable compliance with the provisions of such agreements by the HOA

19. ESTATES AND SUB COMMITTEES

Each sub-committee is an Association of Home Owners in an Estate in accordance with the Conditions of Establishment and Memorandum of Incorporation, and will bear the same name as that of the Estate it represent.

19.1 OBJECTS AND POWERS OF THE SUB SUB-COMMITTEE

19.1.1 The Objects of the sub-committee are to:

(a) provide the Owners of Dwellings in an Estate with a body to attend to the internal matters of such an Estate.

(b) enable the representatives appointed by the Owners with the necessary powers to enable them to administer the internal affairs of the Estate, and to ensure that these powers and objects are at all time in accordance with the rules and regulations as set out in the MOI of the NPC, as applicable to Estates.

(c) To provide the Owners with representation at the Annual General meetings, or any other meeting invited to by the Board of the NPC, and to cast a vote at such a meeting on behalf of its members as provided for in the MOI of the NPC

19.2. MEMBER'S OF ESTATES

(a) The sub-committee has members, who are all in a single class, being owners in the Estate, each of whom has an equal vote in any matter to be decided

(b) Membership of the sub-committee shall be limited to owners of dwellings in the Estate

(c) Membership shall be established on date of registration of a stand onto a member's name in the Deeds Office, and shall cease when ownership is accordingly passed by registration, unless such member owns another stand.

(d) The fact that a member ceases to be a member because of ownership thus passing, will not release such member of any responsibility towards the sub-committee of any debt arising before such date of transfer.

(e) Where a stand or unit is owned by more than one person, such co-registered owners will collectively be deemed to be one member of The sub-committee, and will they be jointly and severably liable for all

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(f) Where a member is a legal entity, such entity shall be deemed as a member, and shall the entity be represented in all matters in Estate, according to the rules of the legal entity, and shall such representative be obliged to present proof of identity and confirmation of his representative capacity to the Board or his duly appointed representative at any meeting attended by such representative.

(g) The terms and conditions of membership in Estate are;

- (i) Every owner of an erf or subdivision or consolidation thereof, shall become and shall remain a member of the sub-committee or similar institution and be subject to these rules and Memorandum of Association until he ceases to be an owner as aforesaid.
- (ii) An erf shall not be transferred to any person that has not become a member of the sub-committee.

(h) An owner shall be a natural person or legal persona in who's name a property being a single stand or a sectional Title Unit, is registered in the Deeds Office, and each such unit bears one vote.

(i) The sub-committee shall maintain a register of all the members.

19.3. RIGHTS OF MEMBERS

19.3.1 Member's rights to vote

- (a)Members who are in good standing with HOA and Sub Committee (who therefore have paid all debts due and payable to the sub-committee and HOA) shall have the right to vote at all meetings of the sub-committee.
- (b)Members shall elect a representative annually at the Annual General Meeting of the sub-committee to act as representative of the sub-committee at all times.
- (c) An owner may not resign as a member of the sub-committee.

19.4. MEETINGS AND GENERAL RULES

Rules relating to quorums, meetings, proxies of the Sub Committee will be the same as those applicable on the Home Owners Association as set out in the MOI.

19.5. COMPOSITION OF THE SUB-COMMITTEE MANAGEMENT

The Sub-committee comprises of at least 3 members of whom each serves for an period of 12 moths or until re-elected by members

19.6. AUTHORITY OF THE SUB-COMMITTEE

Power and Functions of a Sub-committee ;

- (a)Determine levies payable by its members only in so far as that levy represents matters relating to the Estate.
- (b) Enforce any rule imposed by the HOA applicable on Estates..
- (c) To appoint a representative to attend any meeting of the HOA, and to vote on behalf of the owners of the Estate.
- (d) to receive the budget for the HOA applicable of the Estate, and to object thereto if necessary alternatively to

(e) to prepare a budget and motivation for any special levy to be payable by the members of a sub- committee, and to have it approved by the HOA, and ensure that it is collected by management.

(f) to keep records of expenses applicable on the Estate, and to hand same over to the HOA on request.

(g) institute legal proceedings to protect existing rights of the sub-committee, enforce these Articles and/or Rules and defend any legal proceedings brought against the sub-committee;

(h)The Sub-committee management is authorized to use it's discretion in terms of enforce and/or interpretation of these Articles and/or Rules which discretion and shall always be applied in the best interests of the sub-committee.

(i)The Sub-committee Management and members may meet to attend to their business, adjourn and otherwise regulate their Meetings, as they think fit, subject to the provisions of the MOI.

(j) Where a Sub-committee Member or Management member has personal interest or a conflict of interest in respect of any matter before the Sub-committee, the said Sub-committee Member shall be entitled to attend any meeting of the Sub-committee at which such matter is discussed or decided, however, such Sub-committee Member shall not be entitled to vote in respect of the matter in which he has a personal interest or conflict of interest and shall recuse himself from any deliberations on the issue.

19.7 DOMICILIUM CITANDI ET EXECUTANDI OF MEMBERS

- (a).Every member of an Estate chooses as his/her/its *domicilium citandi et executandi* for all purposes relating to these RULES, whether in respect of payments, court process, notices or any other documents or communications of whatsoever nature, or whether in relation to any business of the HOA or the Estate, the immovable property situated in the Estate registered in such member's name.
- (b) A member may only by way of written notice to the HOA sent by registered post to its registered office change the physical address chosen as his/her/its *domicilium citandi et executandi* to another physical address in the Republic of South Africa.
- (c) Except in the case of any notice of any meeting for witch the period is prescribed, any notice served by post shall be deemed to have been delivered on the 7th (seventh) day following dispatch.
- (d) Notwithstanding any provisions to the contrary contained in these Rules, any notice or written communication served by any other means (by hand, facsimile or email transmission) shall be considered delivered where receipt has been acknowledged by the addressee or can be proven by the addressor.
- (e) Where a member has expressly in writing addressed to the HOA, requested or consented to all notices and communications being addressed to the member either by email or facsimile, a notice dispatched in this manner shall be considered good notice for all purposes, provided that any

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domicilium citandi et executandi as provided for in Article 19.7(a) above.

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