



**AGREEMENT FOR THE GRANT OF A RIGHT OF OCCUPATION
OF A UNIT IN:**

KINGHURST RETIREMENT APARTMENTS

LIST OF DOCUMENTS:

1. Schedule to contract

2. Contract

3. ANNEX 1: Disclosures in terms of the Housing Development Schemes for Retired Persons Act.

4. ANNEX 2(a): Plans of Kingshurst and of the unit.

5. ANNEX 2(b): Specifications.

6. ANNEX 2(c): Optional extras.

7. ANNEX 3. Rules of conduct.

“THE SCHEDULE”**KINGSHURST RETIRMENT APARTMENTS****SCHEDULE TO THE CONTRACT**

between

ELANDEO TWELVE CC
REGISTRATION NUMBER: 2009/070329/23
(the “**seller**”)

and

(the “**purchaser**”)

The purchaser acquires the right to occupy a unit (including garage/s and/or/ carport/s), as defined in the contract to which this schedule relates (“the contract”), and jointly with other occupants to utilise certain common facilities and services described hereinafter in KINGSHURST on the terms and conditions mentioned in this schedule, the contract and annexures attached to the aforesaid contract.

1. Details of purchaser (if natural person)

1.1 Full names of purchaser:

1.2 Current residential address:

street number
suburb
town
code

1.3 Current postal address:

P O Box

1.4 Current telephone number:

home
work
cell
fax number

1.5 Identity number:

1.6 Income Tax number:

1.7 Marital status:

in community of property
out of community of property
foreign marriage

1.8 Spouse:

surname
first name(s)
identity number

2. Details of purchaser (if juristic person)

2.1 Registered name of purchaser

2.2 Physical address:

street number
suburb
town
code

2.3 Postal address:

P O Box

2.4 Current telephone number:

Work
Fax number

2.5 Income Tax/Vat number:

3. **Details of nominated occupant** (if applicable)

3.1 Full name of nominated occupant:

3.2 Current residential address:

street number
suburb
town
code

3.3 Current postal address:

P O Box

3.4 Current telephone numbers:

home
work
cell

3.5 Identity number:

3.6 Income Tax number:

3.6 Marital status:

in community
out of community
foreign marriage

3.7 Spouse:

surname
first name(s)
identity number

4. **Details of joint occupant** (if applicable)

4.1 Full name of joint occupant:

4.2 Current residential address:

street number
suburb
town
code

4.3 Current postal address:

P O Box

4.4 Current telephone numbers:

home
work
cell

4.5 Identity number:

4.6 Marital status:

in community
out of community
foreign marriage

4.7 Spouse:

surname
first name(s)
identity number

5. Unit including/excluding garage/carport

5.1 Number of unit and design:

5.2 Floor area in square metres:

Apartment and balcony:

5.3 Levy:

The levies will be fixed for a period of three years and shall be as follows:

Period 1 - R _____ (commencing on: 1 January 2011 to 31 December 2011)

Period 2 - R _____ (commencing on: 1 January 2012 to 31 December 2012)

Period 3 - R _____ (commencing on: 1 January 2013 to 31 January 2013)

(refer clause 11 in the contract)

(Note: The levies are set for the first 3 years from 1 January 2011 thereafter the levies shall be set by the Management Association of KINGSHURST)

6. Purchase Consideration

The full purchase price payable on the Occupation Date, as defined in this contract: **R.....(.....Rand)**

(refer clause 6 in the contract).

7. Planned dates:

7.1 Occupation Date:

8. Municipal Rates

8.1 In addition to the levies payable in terms of paragraph 5.3 of this schedule, the Purchaser shall furthermore be liable to make a pro-rata contribution, calculated in accordance with the Participation Quota of the Purchaser's unit, towards municipal rates and taxes.

8.2 The actual amount payable by the Purchaser in terms of paragraph 9.1 herein above, shall increase immediately upon an increase in the amount levied by the municipality.

8.3 Notice of any increase in the amount payable in terms hereof shall be given in writing to the Purchaser by the Management Association of KINGSHURST.

CONTRACT

between

ELANDEO TWELVE CC
(the “seller”)

and

(the “purchaser”)

Relating to the purchase of a right of occupation, as defined hereunder, in respect of the KINGSHURST as defined hereunder.

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KINGSHURST RETIREMENT APARTMENTS

1. Introduction

- 1.1 The seller is the registered owner of the Erf 537, HUMEWOOD in the Nelson Mandela Metropolitan Municipality, Division of Port Elizabeth, Province of the Eastern Cape (the “**land**”), and intends to establish a retirement housing development scheme in accordance with the act, as defined hereunder, on the vacant portion of the land.
- 1.2 The housing development scheme mentioned in clause 1.1 and situated on the land, as defined hereunder, will be known as the KINGSHURST.
- 1.3 The purchaser wishes to acquire from the seller a right of occupation, as defined hereunder, in respect of a unit (including garage/s and/or carport/s and/or patio/s) in KINGSHURST and to jointly utilise certain common facilities and services on the terms and conditions mentioned herein.

2. Definitions

- 2.1 “**act**” means the Housing Development Schemes for Retired Persons Act No 65 of 1988, as amended and regulations promulgated thereunder;
- 2.2 “**KINGSHURST**” means the housing development scheme in terms of the act at the following physical address:

Corner of Humewood Road and La Roche Drive
Humewood, Port Elizabeth

- 2.3 “**architect**” means Bobby Ellis of Design Studio Architects as appointed by the close corporation.
- 2.4 “**attorneys**” means Lexicon Attorneys of cnr of Westbourne and Clevedon Roads, Central, Port Elizabeth.

- 2.5 **“caregiver”** means a person, either paid or voluntary, who helps the occupant of a unit with his or her activities of daily living, health care, financial matters, if necessary, guidance, companionship and social interaction.
- 2.6 **“common property”** means in relation to the KINGSHURST common property as defined in the Sectional Titles Act, No 95 of 1986 otherwise, the land to which the KINGSHURST relates, together with all buildings, permanent structures and works erected on or installed upon such land, but excluding any building or part of a building or such land set aside for the exclusive occupation of or use by a purchaser in terms of a housing interest.
- 2.7 **“close corporation”** means ELANDEO TWELVE CC Registration No. 2009/070329/23 which is also the Seller in terms of this contract.
- 2.8 **“consideration”** means the consideration mentioned in clause 6.1 of this contract.
- 2.9 **“disposal price”** means the consideration, as defined in section 1 of the act, paid by a purchaser, of a unit, as defined hereunder, for the acquisition of a right of occupation.
- 2.10 **“joint occupant”** means a retired person, as defined in section 1 of the act, sharing a unit with a purchaser or nominated occupant or a person (other than a retired person as defined in section 1 of the act) who has acquired the written consent of all the holders of housing interests, as defined in section 1 of the act, to occupy a unit at KINGSHURST but not the spouse of either the purchaser or nominated occupant.
- 2.11 **“land”** means Erf 537, Humewood, in the Nelson Mandela Metropolitan Municipality, Division of Port Elizabeth, Province of the Eastern Cape.
- 2.12 **“managing agent”** means Bellbuoy CC the managing agent appointed by the close corporation as defined herein or by the management association to manage KINGSHURST.

- 2.13 **“management association”** means the management association to manage KINGSHURST consisting of every purchaser who acquires a right of occupation in KINGSHURST from the seller.
- 2.14 **“management liaison committee”** means that committee comprising members nominated by the close corporation and the management association to ensure the smooth running of KINGSHURST.
- 2.15 **“nominated occupant”** means the person nominated by the purchaser in terms of clause 17 dealing with compulsory disposal of the right of occupation.
- 2.16 **“occupant”** means any one or more of the following persons:
- 2.16.1 if the purchaser is a natural person – the purchaser and his/her spouse or the nominated occupant and his/her spouse;
 - 2.16.2 if the purchaser is a juristic person – the nominated occupant, as defined hereunder and his/her spouse.
- 2.17 **“participation quota”** means a percentage expressed to four decimal places, and arrived at by dividing the floor area, correct to the nearest square metre, of the Purchaser’s unit, by the floor area, correct to the nearest square metre, of all the units in the building or buildings in the housing development scheme.
- 2.18 **“principal”** means a non-natural person referred to in clause 20.
- 2.19 **“purchaser”** means a purchaser, as defined in section 1 of the act, including a purchaser who has acquired a right of occupation, as defined hereunder, in accordance with the act and includes the purchaser in terms of this contract.
- 2.20 **“occupation date”** means the date on which the Seller shall give the Purchaser possession of the property from which date all risk and benefit in the property shall pass to the Purchaser.
- 2.21 **“right of occupation”** means the right of a purchaser of a housing interest, as defined in section 1 of the act, which confers the power to occupy a unit, as

described and defined in clause 2.27 hereunder in KINGSHURST for the duration of the lifetime of the purchaser or, subject to section 7 of the act, any other person mentioned in this contract in terms of which the housing interest, as defined in section 1 of the act, is acquired, but without conferring the power to claim transfer of the ownership of the unit as defined herein to which the housing interest relates.

- 2.22 **“spouse”** means the spouse of the purchaser or nominated occupant.
- 2.23 **“the contract”** means a contract, as defined in section 1 of the act, which pertains to the alienation of a housing interest in KINGSHURST to a retired person as defined in section 1 of the act.
- 2.24 **“the developer”** means the close corporation as defined herein, which shall develop KINGSHURST.
- 2.25 **“the parties”** means collectively the seller, purchaser, nominated occupant (if applicable), the spouse of the purchaser, the spouse of the nominated occupant (if applicable) and the joint occupant (if applicable).
- 2.26 **“total levy”** means all the annual operating costs pertaining to the APARTMENTS subject to the provisions of clause 5.3 of the Schedule hereto.
- 2.27 **“unit”** means a unit as defined in section 1 of the Act which comprises a unit (including garage/s and/or carport/s and/or patio/s) allocated to the purchaser described in the schedule relating to this contract marked “the Schedule”, indicated on the plan annexed hereto as annexure “ANNEX 2(a)” forming part of KINGSHURST and constructed in accordance with the specifications annexed hereto as annexure “ANNEX 2(b)”.
- 2.28 expressions in the singular also denote the plural, and vice versa.
- 2.29 pronouns of any gender include the corresponding pronouns of the other gender.

3. **Right of occupation**

- 3.1 The seller hereby grants to the purchaser who hereby acquires the right of occupation of the unit for the consideration set out in clause 6 of the Schedule hereto.
- 3.2 It is recorded that the right of occupation is not capable of being registered in the deeds office but confers the same right as a registered lease referred to in Section 4A of the Act subject to the provisions of this contract.

4. **Nomination** (if applicable)

- 4.1 The purchaser shall be entitled to nominate a third party **“the third party”** as purchaser of the right of occupation within 30 (thirty) days of the date on which the last signature is affixed to this contract or within such extended time as the parties may agree to in writing.
- 4.2 Such nomination will be effected by delivery by the purchaser to the seller of a letter assigning its rights and obligations to the third party nominated in terms of clause 4.1 and by delivery of the third party to the seller of a letter confirming unconditional acceptance of the rights and obligations of the purchaser.
- 4.3 If the nomination is not made by the purchaser and accepted by the third party within a period of 30 (thirty) days or the extended period specified in clause 4.1, the purchaser in his personal capacity will remain the purchaser in terms of this contract.

5. **Term**

- 5.1 As from the delivery date, the purchaser or nominated occupant and his/her spouse specified in the schedule, will have the right of occupation during his/her lifetime, whichever will be the longer period, subject to the provisions of this contract.

5.2 The purchaser or nominated occupant and his/her spouse will not be entitled to transfer his/her right of occupation other than in accordance with the provisions of this contract.

6. Consideration

6.1 The consideration payable by the purchaser to the seller in respect of the right of occupation is the sum stipulated in clause 6 of the schedule hereto.

6.2 The consideration is payable on the delivery date as defined in this contract. Any payment made by the purchaser will be pursuant to section 6(3) of the act.

6.3 The purchaser will be obliged, within 14 (fourteen) days of signature hereof by the seller, to furnish to the seller a bank guarantee or other letter of undertaking acceptable to the seller for the due payment of the consideration payable by the purchaser in terms of this contract.

6.4 The consideration will be held in trust by the attorneys in accordance with the provisions of section 6(3) of the act and invested at a financial institution of the seller's sole choice, interest to accrue to the purchaser, until the certificates referred to in section 6(1) of the act have been issued and other requirements specified in the said section 6(1) have been met.

6.5 In the event of the building phase of the KINGSHURST development scheme not being proceeded with for whatever reason, the purchaser will receive a refund of any monies held in trust, including interest thereon. The parties will have no further claims against each other whatsoever after such refund.

6.6 If the purchaser fails to pay the consideration or any part thereof on the due date, the outstanding amount will attract interest from the due date at the prevailing bank overdraft prime interest rate plus 2% compounded in arrear. A certificate by the seller's accountant as to the rate of interest and any amount due hereunder shall be accepted by the purchaser as prima facie proof of such rate prevailing at any time or such amount due.

7. Management

- 7.1 The affairs of KINGSHURST will be managed by the management association which will have the powers set out in clause 8. The management association will consist of all those persons required to be members of said management association in accordance with regulation 7 of the act.
- 7.2 Subject to the provisions of the act, the close corporation will be entitled to appoint a managing agent granting it all necessary authority and powers to act on its behalf to manage KINGSHURST.
- 7.3 On the date that a management association is established, the said association will:
- 7.3.1 immediately nominate persons as members of the management association committee to exercise all the powers and perform all the functions conferred by the management association, including the taking of decisions concerning the day to day management and operation of KINGSHURST and liaison with the managing agent;
 - 7.3.2 immediately enter into a written agreement with the close corporation providing, *inter alia*, that –
 - 7.3.2.1 no structural alteration will be made to any building in KINGSHURST without the prior written consent of the close corporation;
 - 7.3.2.2 no new building will be constructed on the land nor will any addition be made to any building in KINGSHURST, without prior written consent of the close corporation;
 - 7.3.2.3 it will insure the buildings against fire and other perils and will indemnify the close corporation against any damage caused by such failure to adequately insure the buildings and provide proof of such insurance to the close corporation on demand;

- 7.3.2.4 no change will be made to the exterior colour scheme of any building in KINGSHURST without prior written consent of the close corporation;
- 7.3.2.5 no external radio, television aerial satellite dish or radio mast will be erected anywhere on the land or buildings without prior written consent of the close corporation;
- 7.3.2.6 no advertisement or sign will be displayed anywhere in KINGSHURST or on the land without prior written consent of the close corporation;
- 7.3.2.7 nothing will be done in KINGSHURST which, in the reasonable opinion of the close corporation is noisome, injurious, objectionable or detrimental, or a public or private nuisance, or a source of damage or disturbance;
- 7.3.2.8 no commercial type vehicle, caravan, trailer or any derelict vehicle will be parked anywhere in KINGSHURST, unless it is adequately screened from public view;
- 7.3.2.9 all buildings in KINGSHURST and the common property will be kept clean and tidy and in a reasonable state of repair and decoration, gardens and lawns on the common property will be maintained by garden services and will be irrigated;
- 7.3.2.10 it will agree to adopt and adhere to the conduct rules as provided for in this contract and more specifically as contained in annexure ANNEX 3;
- 7.3.2.11 any conditions imposed on the land by a local authority will be adhered to.

- 7.4 In the event of a breach of any of the provisions of 7.3.2, and the management association failing within a reasonable time of being called upon in writing to do so, to take such steps as it may be within its power to rectify the breach or prevent a recurrence thereof, the close corporation may, without prejudice to any other rights it may have, take such steps as it considers necessary to rectify such breach and may recover any expenses incurred in doing so from the purchasers of KINGSHURST or from the management association, with interest thereon at the maximum legal rate then applicable from the date of disbursement until the date of reimbursement.
- 7.5 The management association committee will meet at least once a month with effect from the month in which the management association is formed.
- 7.6 The management association committee will have not less than 3 and not more than 7 members.
- 7.7 No person will be permitted to serve as chairperson of the management association for more than 2 years in succession.

8. Powers and duties of management association

- 8.1 The management association will have the power to:
- 8.1.1 make rules of conduct as it may deem appropriate to promote the interests of the whole body of occupants. The occupants shall comply with these rules. No rule, amendment, alteration, substitution or repeal of any rule will be binding without the written approval of the close corporation;
 - 8.1.2 impose levies on purchasers in accordance with the provisions of clause 11;
 - 8.1.3 confirm that the buildings forming part of KINGSHURST are insured pursuant to the provisions of clause 14.

- 8.2 On a date that the management association is established, the management association will adopt rules as contemplated in regulation 9(1)(o) of the act which shall include the rules attached as annexure “ANNEX 3” hereto.
- 8.3 The further functions and duties of the management association are as set out in the regulations to the act. The act and such regulations will be available for inspection at the domicilium address of the attorneys as set out in 3.2 of ANNEX 1.

9 Management liaison committee

- 9.1 In order to ensure the smooth running of the apartments, a management liaison committee will be established to meet on a regular basis and to serve as a forum for liaison between the occupants as defined in clause 2.16 and the management of the close corporation for the purpose of discussion of issues relating to the management of the scheme, the exchange of ideas and the formulation and recommendation of policies in regard to the management of the scheme and the community life of the said occupants.
- 9.2 The said committee shall comprise two members nominated by the close corporation and two members nominated by the management association.
- 9.3 The committee shall meet at least 3 (times) during every financial year of the close corporation, provided that each of the members to this committee shall, by written notice to the other members have the right to convene additional meetings of the committee.
- 9.4 The chairman will be elected at the first committee meeting from the members nominated by the close corporation.
- 9.5 In the event of an equality of votes, the chairman shall not have a casting vote.
- 9.6 A committee member shall be entitled to appoint another committee member as his proxy to attend, speak and vote at a meeting on his behalf. Such

appointment shall be made in writing under signature of the committee member concerned and shall be tabled at the relevant meeting by proxy.

- 9.7 The quorum for meetings of the committee shall be a simple majority in number of the committee members in office from time to time provided that there is representation of each of the parties to this committee at such meeting.
- 9.8 All decisions of the committee shall be taken by a simple majority of votes, each committee member being entitled to one (1) vote.
- 9.9 A resolution in writing, signed by all the committee members, shall be as valid and effectual as if it were passed at a meeting of members of the committee.
- 9.10 The venue of the meetings of the committee will be at such place as the committee members may resolve from time to time.
- 9.11 The notice, accompanied by an agenda which will indicate all items to be discussed, convening a meeting of committee members, shall be delivered to each committee member. The period of notice required to convene a meeting of committee members shall not be less than 7 (seven) days unless all committee members waive compliance therewith in their discretion.
- 9.12 Any proposed changes to the conduct rules or other issues which the management association wishes to propose or discuss will be canvassed at this forum. In the event of the parties failing to reach a majority decision, then the status quo ante will remain.
- 9.13 The parties recognise that this clause is reasonable and necessary for the protection of the close corporation's investment.
- 9.14 In the event of any provisions hereof being in conflict with the act or regulations promulgated thereunder, the provisions of the act or regulations will prevail.

10. Qualifications for occupation of a unit

Any person occupying a unit will be required to qualify in at least one of the following respects:

- 10.1 he/she will be a purchaser or a nominated occupant and will either:
 - 10.1.1 be at least 55 years of age and retired by reason of ill-health / infirmity;
or
 - 10.1.2 be at least 60 years of age.
- 10.2 he/she will be the spouse of the purchaser or nominated occupant specified in clause 1 of the schedule unless the close corporation agrees in writing to approve a spouse after the date of signature hereof.
- 10.3 he/she will be a joint occupant approved in writing by all the members of the management association in accordance with the provisions of section 7 of the act.
- 10.4 Notwithstanding anything contained in this paragraph or elsewhere in this contract, a Caregiver shall be entitled to occupy a unit with an occupant or joint occupant, for as long as such an occupant or joint occupant requires the assistance of a Caregiver.

11. Levies

- 11.1 The purchaser will pay from the delivery date monthly in advance or before the 7th day of each month, such reasonable levy as the management association may determine is necessary for conducting the affairs and to cover the operating expenses of KINGSHURST, provided that in the event of the management association committee deciding that any expenses in excess of the annual amounts mentioned in clause 11 of ANNEX 1 should in the opinion of the management association committee be incurred (until such time as the time period pertaining to the developer in terms of section 4(x) of the act has expired), such expenses shall only be incurred in consultation with the

developer in order to determine whether the aforementioned expenses shall be incurred.

- 11.2 The levy payable by each purchaser is based on that proportion of the total levy as the area of the purchaser's unit (including garage/s and/or carport/s) bears to the aggregate area of all units in KINGSHURST, adjusted by a factor to be determined by the management association for use of the common property at KINGSHURST (the "levy"). In the event of any future extension to the unit, the levy will be adjusted accordingly.
- 11.3 If any levy is not paid on due date, interest will be charged at the prevailing bank overdraft rate plus 2% compounded in arrears plus all costs of collecting same including but not limited to charges levied by the managing agents and all legal costs, including VAT, on the attorney and own client scale and any collection commission.
- 11.4 The monthly levy paid by the purchaser does not include the cost of meals served in any communal dining facility.
- 11.5 During years 1, 2 and 3 as described in clause 5.3 of the schedule, the close corporation will utilise any profit made by the close corporation in respect of the development scheme of KINGSHURST to ensure that the purchaser will not be liable for any amount over and above the amounts specified in the said clause 5.3 excluding any interest, costs and collection charges as defined in clause 11.3.

12. Health care

- 12.1 It is recorded that a frail care facility will be provided in KINGSHURST as a separate facility at an additional cost.
- 12.2 Nursing care facilities will be provided as set out in ANNEX 1.
- 12.3 Although the management association undertakes limited medical care of occupants, it may, taking into account the state of health of an occupant and

after taking medical advice from the occupant's doctor, decide that a particular occupant (the **"occupant of ill health"**) should move to a hospital or other institution, in which case the occupant of ill health will be obliged to move at his/her own expense. The policy of the management association will, however, be to endeavour to do everything it reasonably can to avoid having to require the occupant of ill health to vacate the unit.

- 12.4 Private health care at the occupant or occupant of ill health's expense in the purchaser's unit may be arranged and supervised by the resident nursing sister at KINGSHURST if required by an occupant or occupant of ill health.
- 12.5 All occupants will furnish the name and address of a medical doctor to the management association for approval. The management association may refuse to approve such a doctor if the doctor is not sufficiently in proximity to KINGSHURST to care adequately for the occupant and the management association may nominate a medical doctor if an occupant fails to furnish the name of a medical doctor sufficiently in proximity to KINGSHURST.
- 12.6 Each unit will be equipped with a intercom system which will be connected to an operation centre which will be manned on a 24 (twenty four) hour basis. The person on duty will, when contacted by the occupant, make the necessary arrangements for assistance as required.

13. Obligations of occupant

- 13.1 The occupant shall only use and occupy the unit for his/her own residential purposes.
- 13.2 The occupant:
 - 13.2.1 shall not let, sub-let, cede or assign in any way or encumber or alienate any of his/her rights in terms hereof in respect of the unit;

- 13.2.2 shall not allow any person to occupy or use the unit or any portion thereof without the close corporation's prior written consent thereto;
- 13.2.3 shall not allow children or any person who does not meet the qualifications set out in clause 10 to reside permanently in KINGSHURST except with the written consent of all the holders of housing interests, as defined in section 1 of the act, to permanently reside in a unit at KINGSHURST;
- 13.2.4 shall not contravene or permit the contravention of any of the conditions of occupation as set out in this contract and the rules of conduct as determined from time to time by the close corporation, management association or the managing agent;
- 13.2.5 shall not do or permit anything to be done which may cause a nuisance or annoyance to other occupants;
- 13.2.6 shall comply with all rules of conduct as set out in annexure "ANNEX 3" and with any amendments which the managing association may impose from time to time in their sole reasonable discretion;
- 13.2.7 shall, for his/her own account, maintain in a good and acceptable order as required by the management association:
- 13.2.7.1 the interior of the unit; and
- 13.2.7.2 the geyser, all electrical installations and equipment and all plumbing, drainage and sewerage works in the unit;
- 13.2.8 shall, on the termination of this contract, deliver to the close corporation the unit hereby used and occupied together with all fixtures and fittings in the unit as at date of occupation in the same good order and condition as it was on date of taking occupation, fair wear and tear excluded;

- 13.2.9 shall pay all expenses in respect of electricity and water consumed by the occupant in respect of the unit;
- 13.2.10 shall have no claim for termination of this contract or for any loss or damages suffered as a result of:
- 13.2.10.1 *vis major*;
 - 13.2.10.2 *casus fortuitus*;
 - 13.2.10.3 any other cause in whole or in part not under the control of the close corporation;
- 13.2.11 shall not be entitled to withhold or delay any payment to the seller, close corporation, the managing agent or management association as a result of any alleged act or omission on the part of the seller, close corporation, the managing agent or the management association;
- 13.2.12 shall not alter or add to or improve the unit or any portion thereof without the prior written consent of the close corporation and, should the close corporation consent to any alteration, addition or improvement (jointly referred to as “**alteration**”), then and in such event the costs of alteration will be for the occupants account and he/she has no right to reclaim such expenses incurred in effecting the alterations nor does he/she have any right of retention of the unit until such expenses are paid;
- 13.2.13 shall not do anything which may damage the unit;
- 13.2.14 shall not store or keep within the unit, garage or carport relating to the unit, any goods or material which may vitiate any fire insurance policy held by the close corporation or management association or increase the premium payable in respect of such policy;

- 13.2.15 shall not do anything which may exceed the supporting capacity of the floors or any part thereof as determined in the sole discretion of the close corporation;
- 13.2.16 shall notify the close corporation in writing within 14 days from the delivery date of the details of any defects in any unit to be repaired by the close corporation and failing such notification the occupant will be deemed to have received the unit in good order without any defects. Save as provided herein the close corporation will rectify such defects within 2 months of such notification. In respect of defects in the roofing of the unit, the geyser or settlement cracks in walls, the period of notification will be one year;
- 13.2.17 shall prevent, to the best of his/her ability, any blockage of any sewerage or water pipe or drain pipe in or connected with the unit;
- 13.2.18 shall not alter or overload the electrical system of the unit; and
- 13.2.19 undertakes to comply promptly and conscientiously with all the terms and conditions of this contract, including the schedule to which this contract relates marked “the schedule” as well as the annexures attached hereto marked respectively annexures ANNEX 1, ANNEX 2(a), ANNEX 2(b), ANNEX 2(c) and ANNEX 3.
- 13.2.20 Shall ensure that a Caregiver occupying a unit with the Occupant, complies promptly and conscientiously with all the terms and conditions of this contract, including the schedule to which this contract relates marked “the schedule” as well as the annexures attached hereto marked respectively annexures APA 1, APA 2(a), APA 2(b), APA 2(c) and APA 3.

14 Insurance

- 14.1 The management association will insure the buildings of which the unit forms part against loss resulting from fire and other such perils as the close

corporation may deem necessary and as required by the applicable financial institution and will indemnify the close corporation against any claims whatsoever arising from failure to adequately insure the buildings.

14.2 The occupant will:

14.2.1 not do or permit anything which invalidates the aforementioned insurance, which makes an insurance claim unenforceable or which increases the insurance premiums;

14.2.2 solely and exclusively be at risk for all his/her property and effects in the said unit.

15 The close corporation's rights and obligations

15.1 The close corporation will at all times be entitled but not obliged to perform any of the purchaser's obligations in terms of this contract which the purchaser has failed to perform after expiration of a reasonable period after the close corporation has in writing requested the purchaser to do so and the close corporation may in its own and absolute discretion exercise such right, without prejudice to any other rights which the close corporation may have in terms hereof and may immediately reclaim payment from the purchaser of any amounts paid or costs incurred in respect thereof by the close corporation.

15.2 The close corporation through its servants or agents or through the managing agent or the management association, their servants or agents, may obtain admission to the unit at all reasonable times to:

15.2.1 inspect the unit;

15.2.2 repair, rectify, add to and alter any building or erection on the property;

15.2.3 show any prospective purchaser or tenant (if applicable) the interior and exterior of the unit during reasonable hours.

15.3 If, in the sole opinion of the close corporation, any repairs or renovations to the movable or immovable property belonging to the close corporation are

rendered necessary by reason of any act or omission, whether accidental, negligent or wilful by the purchaser or any occupant or any member of his/her household or any visitor visiting the occupant of such unit, the purchaser or occupant will be liable for the costs of repairing, restoring or renovating such movable or immovable property. The cost of repairs, renovations or restoration will be a debt due by the purchaser or occupant to the close corporation and will be payable on demand.

- 15.4 Neither the close corporation nor the management association will be liable for any interruption or failure of the electrical or water services that may be supplied or any municipal or other service to KINGSHURST, irrespective of the cause thereof, and they will not be liable for any consequential damage the purchaser or occupant may suffer by reason of such failure or interruption.
- 15.5 The close corporation will use its best endeavours to ensure that the management association complies with the duties imposed upon it pursuant to this contract and, where possible, within the limits of its resources, will assist the management association financially to do so but accepts no liability should the management association fail to perform any of its obligations pursuant to the contract.
- 15.6 It is recorded that the close corporation is the sole party entitled to market and dispose of or transfer rights of occupation at KINGSHURST and to recover the consideration for the rights disposed of or transferred.
- 15.7 Notwithstanding any other provision of this contract but subject to the consent of the management association, the close corporation will be entitled to enforce all or any of the rights conferred upon the management association pursuant to this contract, just as if the close corporation was the party upon which such rights had been conferred.

16 Damage or destruction of the unit

- 16.1 Should the unit be destroyed totally or partially to such a degree that the occupant is denied beneficial occupation thereof, then and in such event the

purchaser will be entitled within 1 calendar month of the occurrence of such damage or destruction to decide if he, she or it wishes to cancel this contract by giving 3 months written notice to the close corporation, failing which this contract will remain of full force and effect.

16.2 If the purchaser cancels this contract in terms of 16.1, such cancellation, for the purposes of this contract, will be deemed to be a disposal to the close corporation and the purchaser will be entitled to a refund of the consideration subject to clause 15.3.

16.3 Should the purchaser elect not to cancel this contract, the close corporation will, at its own cost but subject to clause 15.3 and as soon as possible, repair the unit.

17 Compulsory disposal of right of occupation

The purchaser or his/her spouse or his/her estate will be obliged to transfer his/her right of occupation in any of the following events-

17.1 The death of the purchaser or his/her spouse as contemplated in 5 whichever is later.

17.2 The death of the nominated occupant or his/her spouse whichever is the later.

17.3 The giving of three calendar months written notice by the purchaser to the management association after the delivery date and after the purchaser has paid the consideration, but not before the delivery date.

17.4 In the event of the purchaser or nominated occupant not having a spouse, the giving of notice to the purchaser or nominated occupant as may in the circumstances be deemed appropriate by the close corporation, provided that the close corporation may only give notice in terms of this clause where:

17.4.1 the state of health of the purchaser or nominated occupant (mentioned in clause 17.4) is such that, in the opinion of the nursing sister and

close corporation and his/her medical practitioner or in the event of a dispute between the aforementioned persons, an independent medical practitioner, the purchaser or nominated occupant is too ill to be adequately cared for in KINGSHURST;

17.4.2 the occupant continually fails to observe the rules of occupancy to the extent that the close corporation is of the opinion that the occupant is a nuisance or a danger to other occupants of KINGSHURST;

17.5 Should the close corporation give notice requiring the purchaser or nominated occupant or his/her spouse to dispose of his/her right of occupation and should the purchaser or nominated occupant or his/her spouse dispute the right to give such notice and remain in occupation of the unit then, pending settlement of such a dispute:

17.5.1 the purchaser or nominated occupant or his/her spouse will continue to pay all amounts payable by the purchaser in terms of this contract on due date thereof as if the contract had not been cancelled;

17.5.2 the management association will be entitled to recover and accept such payment;

17.5.3 the recovery and acceptance of such amount will be without prejudice and will not in any way affect the close corporation's or management association's claim to oblige the purchaser or nominated occupant or his/her spouse to dispose of his/her right of occupation or any other claim;

17.6 If a dispute between the management association or close corporation and the purchaser or nominated occupant (whichever is applicable) is resolved in favour of the management association or close corporation, the amounts paid in terms hereof will be deemed to be amounts paid by the purchaser on account of the damage suffered by the management association or close corporation by reason of the occupancy of the unit by the occupant.

- 17.6.1 Should the purchaser or nominated occupant or his/her spouse be obliged to dispose of his/her right of occupation for any reason whatsoever, the purchaser will be liable for payment of levies until disposal of the right to occupy the unit to a new purchaser and the management association will be entitled to offset levies payable by the purchaser or his/her estate against the consideration.
- 17.7 The close corporation or management association may evict the occupant in the event of breach by the occupant, but still subject to the provisions of clause 20.
- 17.8 If the purchaser or nominated occupant or his/her spouse or the estate of any of them wishes to or is obliged in terms hereof to dispose of its/his/her right of occupation, the close corporation will and is hereby authorised and empowered on behalf of such person to arrange for the transfer of such right to another purchaser at a consideration to be fixed and agreed to by the close corporation in a bona fide arms length transaction at a market related price.
- 17.9 In the event of there being no immediate purchaser for the unit, then the purchaser or his estate will be liable for payment of levies and maintenance of the unit until disposal of the right of occupation by the close corporation.
- 17.10 In the event of the purchaser wishing to sell or transfer his/her right in respect of a unit, the close corporation shall have a right of first refusal to purchase the right at a price equal to any written offer made by a prospective purchaser to the purchaser in an arms length transaction. This right shall be exercised by the close corporation by written notice to the purchaser within 14 (fourteen) days from the date of delivery to the close corporation of a copy of the written offer, accompanied by a notice calling upon the close corporation to exercise its right of first refusal.

18 Payment for disposal

18.1 If the disposal price for the right to occupy the unit on disposal is greater than the original consideration as stated in clause 6 of the schedule, the close corporation shall secure payment to the purchaser or his/her estate:

18.1.1 by the person acquiring the right to occupy the unit (the “new purchaser”) of the following amounts:

18.1.1.1 an amount equal to the original consideration as stated in clause 6 of the schedule; plus

18.1.1.2 an amount equal to 50% of the difference between the consideration (as stated in clause 6 of the schedule) and the disposal price realised for the disposal of the right of occupation in respect of the unit;

less

18.1.1.3 any amounts owing by the purchaser to the close corporation or the management association;

less

18.1.1.4 where necessary in the opinion of the close corporation, the costs required by the close corporation or management association to reinstate the unit by:

- replacing carpets, repainting and generally repairing the unit in order to dispose of the right of occupation at a fair market price; and/or
- restore the unit to the condition as indicated on the plan attached hereto marked “ANNEX 2(a)”;

less

18.1.1.5 sales commission of 5,7% (including VAT) on the consideration realised for the disposal.

18.2 If the provisions of clause 18.1 apply, the close corporation shall secure payment to the close corporation by the new purchaser of an amount equal to 50% of the difference between the original consideration and the disposal price plus costs.

18.3 In the event of the disposal price being less than the original consideration stated in clause 6 of the schedule, the close corporation shall secure payment to the purchaser or his/her estate by the new purchaser of the following amounts:

18.3.1 an amount equal to the disposal price;

less

18.3.2 any amounts owing by the purchaser to the close corporation or management association;

18.3.3 where necessary in the opinion of the close corporation, the costs required by the close corporation or management association to reinstate the unit by:

- replacing carpets, repainting and generally repairing the unit in order to dispose of the right of occupation at a fair market price; and/or
- restore the unit to the condition as indicated on the plan attached hereto marked "ANNEX 2(a)";

less

18.3.4 the sales commission of 5,7% (including VAT) on the consideration realised for the disposal.

- 18.4 All amounts payable to the purchaser or his/her estate in terms of this clause will only be paid after the close corporation has obtained the amount referred to in 18.1.1 or 18.3.1 from the new purchaser.
- 18.5 All documentation, and implementation relating to any disposal shall be attended to by the attorneys at a fee negotiated with the close corporation from time to time.

19 Delivery

- 19.1 The seller will give the purchaser not less than 30 days notice of the delivery date and the purchaser will from that date comply with all obligations set out in clause 13 or will procure compliance therewith.
- 19.2 Should the completion of the unit or any phase of the development at KINGSHURST be delayed due to inclement weather, non-availability of materials, strikes by construction workers, labour unrest, or as a result of any other cause which is beyond the reasonable control of the seller, the planned dates in the schedule will be extended by the same number of days as that of each delay.
- 19.3 The purchaser acknowledges that the seller does not guarantee that the unit will be ready for delivery on the date mentioned in clause 7.3 of the schedule.
- 19.4 Should the unit not be ready for delivery on the date mentioned in clause 7.3 of the schedule for any reason mentioned in clause 19.2 hereof, the purchaser or nominated occupant or his/her spouse will have no claim whatsoever against the seller.
- 19.5 Should any dispute arise between the seller and the purchaser as to when the unit is ready for delivery, then the decision of the architect as to such date will be final and binding on all the parties.

- 19.6 In the event of the purchaser taking occupation of the unit before payment to the seller of the consideration stipulated in clause 6 of the schedule, the purchaser will pay occupational interest on the consideration to the seller per month (or a *pro rata* portion for part of a month), monthly in advance, at the prime rate of interest charged by the seller's bank ("**the bank**") as if the consideration stipulated in clause 6 of the schedule is owed to the bank.
- 19.7 All risk in and relating to the right to occupy the unit will pass to the purchaser on the date of occupation.

20 Non-natural persons

Should a non-natural person acquire the right to occupy the unit, then the parties agree that:

- 20.1 The principal will immediately nominate an occupant and his/her spouse who will be entitled to occupy the unit on the terms and conditions contained in this contract.
- 20.2 On the death of the nominated occupant or his/her spouse whichever will last occur, or on them leaving KINGSHURST, the principal's right will lapse and the right of occupation will be disposed of as previously detailed in this contract.

21 Indemnity during construction

The purchaser, nominated occupant and any other occupant agree that if at the delivery date all the units, roads and services and other civil engineering works, or the community centre in KINGSHURST, have not been completed, then and in that event he, she or it agrees that he, she or it will have no claim of whatsoever nature against the close corporation and the management association and indemnifies the close corporation and the management association against any claims by any member of his/her household, nominated occupant, guest or visitor in respect of any injury or damage suffered by him, her or such person whilst within KINGSHURST.

22 Notices

Any notice which the close corporation and/or seller requires to give to the purchaser/occupant will be deemed to have been validly given if sent by prepaid registered letter to the purchaser/occupant/s at his/her chosen domicilium address or served and delivered by the close corporation and/or seller or its' agent at such address or by hand delivery at such address, which notice will be deemed to have been received 7 days after posting by prepaid registered post, or the day the notice was delivered by hand in terms hereof.

23 Domicilium and Jurisdiction

23.1 The Purchaser/Nominated Occupant/Occupant/Joint occupant chooses as his, her or its *domicilium citandi et executandi* the following address:

23.1.1 up to the date of delivery – the address set out in the Schedule hereto;

23.1.2 from the date of delivery – the address of the unit in KINGSHURST.

23.2 The seller/close corporation chooses its address as set out in the schedule as its *domicilium citandi et executandi*.

24 Joint occupants

Joint occupants will on notice vacate a unit whenever required by the close corporation and will not enjoy any rights in terms of this contract.

25 Indulgences

No extension of time or indulgence granted by either parties of the other parties will be deemed in any way to affect, prejudice or derogate from the rights of such party in any respect under this contract, nor will it in any way be regarded as a waiver of any rights hereunder, or a novation of this contract.

26 Whole agreement

The schedule to this contract, this contract, ANNEX 1, ANNEX 2(a), ANNEX 2(b), ANNEX 2(c) and ANNEX 3 constitute the whole of the agreement between the parties hereto relating to the subject matter hereof and save as otherwise provided herein, no amendment, alteration or variation will be of any force or effect unless reduced to writing and signed by the parties hereto.

27 General

27.1 It is recorded that the recreation/administration centre, but not restricted thereto, will be completed in the last phase of the development and the parties will have no claims against each other for the late completion thereof.

27.2 It is recorded that this contract complies with the provisions of the act and regulations but in the event of any discrepancy or any interpretation disputes, the provisions of the act and regulations will prevail.

28 Disputes – Arbitration

28.1 In the event of the parties being unable to resolve a difference or dispute amicably, the matter in dispute shall be referred to arbitration in accordance the succeeding provisions:

28.1.1 the arbitration proceedings shall be held on an informal basis, it being the intention that a decision should be reached as expeditiously as possible, subject only to the due observance of the principles of justice;

28.1.2 each party to the dispute shall be entitled to be represented at such arbitration proceedings by its legal representatives and/or any other expert or specialist retained by it;

- 28.1.3 the arbitrator shall permit each party to adduce such evidence and argument as the arbitrator may consider to be relevant to the matter in dispute;
- 28.1.4 the arbitrator shall be a person agreed between the parties or if they are unable to agree within a period of 3 days of any party having given notice to the other proposing an appointee or alternative appointees, then a person nominated by the President of the Attorneys Association of the South Eastern Cape;
- 28.1.5 the decision of the arbitrator shall be final and binding upon all parties and capable of being made an order of court on application by any of them;
- 28.1.6 anything herein contained or implied shall not preclude any party from applying to court for a temporary interdict or other relief of an urgent and temporary nature, pending the award of the arbitrator hereunder;
- 28.1.7 the costs of and incidental to any such arbitration proceedings shall be in the discretion of the arbitrator who shall be entitled to direct that they shall be taxed as between “party and party” or as between “attorney and client”;
- 28.1.8 the arbitration shall be held:
- 28.1.8.1 at Port Elizabeth as soon as possible after the dispute shall have arisen, with a view to its being completed within 2 months after the date upon which the dispute shall have been referred to the arbitrator;
 - 28.1.8.2 except where the provisions of this clause otherwise provide, in terms of the arbitration laws in force.

The provisions of this clause shall be deemed to be severable from the remainder of this contract and shall remain binding and effective as between the parties notwithstanding that this contract may otherwise be cancelled or declared of no force and effect for any reason.

29 Breach

29.1 If any party (the “defaulting party”) shall:

29.1.1 be placed in liquidation sequestration, whether provisional or final; or
commit an act of insolvency; or

29.1.2 enter into a compromise with its creditors, as a body, or the majority in
number and amount thereof; or

29.1.3 be in breach of any of the terms of this contract and:

29.1.3.1 if the breach is capable of remedy, fails to remedy the
breach within a period of 14 days after receipt of written
notice from any other party calling upon it so to do;
provided that, if the breach is one in which the
circumstances prevailing is not reasonably capable of being
remedied within the said period of 14 days, the defaulting
party shall be allowed such additional period to remedy the
breach as is reasonably required therefore;

or

29.1.3.2 if the breach is not capable of being remedied, it goes to the root
of this contract or has been committed persistently despite
warnings from the other party;

the non defaulting party shall be entitled to:

29.1.4 terminate this contract with the defaulting party without prejudice to any claim of any nature whatsoever which it may have against the defaulting party arising out of this contract or the breach thereof.

SIGNED at _____ this day _____ of _____

WITNESSES:

1. _____

2. _____

_____ in his capacity as Member of the **Seller**, he being duly authorised hereto

SIGNED at _____ this day _____ of _____

WITNESSES:

1. _____

2. _____

_____ **PURCHASER** who warrants his authority to sign in the event of the abovementioned purchaser being a juristic person

SIGNED at _____ this day _____ of _____

WITNESSES:

1. _____

2. _____

PURCHASER OR NOMINEE
(if applicable)
(Refer to clause 4 of the contract)

SIGNED at _____ this day _____ of _____

WITNESSES:

1. _____

2. _____

spouse of purchaser (if applicable)
who assists the purchaser in this
contract as far as need be and by
his/her signature hereto binds
himself/herself as surety and co-
principal debtor in favour of the close
corporation and the management
association for the due fulfilment of
the obligation of the purchaser and
himself or herself as successor in title
to the purchaser's rights under this
contract.

SIGNED at this day of 2009

WITNESSES:

1. _____

2. _____

NOMINATED OCCUPANT (if applicable) and by his/her signature hereto binds himself / herself as surety and co-principal debtor in favour of the close corporation/company and the management association for the due fulfilment of the obligations of purchaser and himself.

SIGNED at this day of 2009

WITNESSES:

1. _____

2. _____

spouse of nominated occupant (if applicable) who assists the purchaser in this contract as far as need be and by his/her signature hereto binds himself/ herself as surety and co-principal debtor in favour of the close corporation/company and the management association for the due fulfilment of the obligations of the purchaser and himself or herself as successor in title to the purchaser's rights under this contract.

ANNEXURE “ANNEX 1”

This information is provided to comply with section 4 of the Housing Development Scheme for Retired Persons Act No. 65 of 1988, as amended (“the act”).

1. The purchaser chooses English as the language in which this contract is drawn.
2. The housing interest alienated hereby consists of a right of occupation of a unit which right is not registerable in the deed office.
3. The land upon which the development will be situated is described as:

Remainder of Erf 537 Humewood in the Nelson Mandela Metropolitan Municipality, Division of Port Elizabeth, Province of the Eastern Cape (the “**land**”).

 - 3.1 The land upon which the development will be situated is registered in the name of the seller.
 - 3.2 Notarially certified copies of the contracts may be inspected between the hours 08h00 and 16h00 at the offices of _____ at _____, Port Elizabeth 6001.
4. The land will not be encumbered by a mortgage bond. The title deeds of the land will be endorsed to the effect that the land is subject to a housing development scheme.
5. The architect’s certificate required in terms of section 6 of the act has not been issued. Such certificate will be issued subject to section 6 of the act.
6. The rules of conduct which have been framed in respect of “Kingshurst” are attached hereto as annexure “ANNEX 3”.

7. The following facilities will be provided in full by the close corporation subject to the approval of the management association, once the right of occupation in respect of the last unit in the Kingshurst development scheme has been sold:

7.1 nursing care facilities:

- 7.1.1 Nursing sister's consulting room will be provided near the nursing sister station;
- 7.1.2 primary health care will be administered at Kingshurst by a nursing sister as determined by the management association committee who will be on duty during business hours from Monday to Friday. For the other days of the week as well as after business hours an intercom system which will be manned at all times and a response assistance service will be available.
- 7.1.3 Frail care will be provided at Kingshurst at an additional cost to the occupant;
- 7.1.4 Any additional care including, but not limited to, ambulance or doctor response will be for the account of the occupant.

7.2 security:

Access will be by a remote control electrically operated gate, perimeter fencing and an intercom in each unit which will be installed at the developers discretion during the construction of the Kingshurst.

7.3 recreation/administration centre:

A recreation/administration centre as per the attached diagram will only be completed in last phase of the development of Kingshurst.

- 7.4 **Communal** and private areas, including, gardens and outdoor facilities as determined by the close corporation.

7.5 other:

As determined from time to time by the close corporation.

8. The purchaser's attention is drawn to the fact that the occupants of the scheme presently known as Hula-Hula, adjacent to Kingshurst, shall have access against payment of appropriate levies to the Kingshurst' frail care, nursing - and communal facilities, in event of Hula-Hula being operated at any time as a retirement scheme.
9. The date on which the benefits and risks of the right of occupation to a unit pass to the purchaser is the date of delivery.
10. The seller will be liable for the payment of the costs of drafting this contract.
11. The estimated expenditure for the control, management and administration of Kingshurst is fixed for 3 years.

The abovementioned annual expenditures will be recovered in full from the purchasers in the form of monthly levies.

The financial year will extend over 12 months from the first day of April to the last day of March of the following year.

The level of expenditure will be controlled by the management association, however, the close corporation may, in terms of its objectives, use so much of its funds as the close corporation in its sole discretion may determine, to assist Kingshurst to defray its expenditure.

12. The management association of Kingshurst is established in terms of the regulations relating to the act.
13. All units in Kingshurst are, apart from accommodation occupied by essential staff, to be occupied exclusively by occupants who fulfil the following requirements:

13.1 occupants over the age of 55 years who have retired by reason of ill-health or infirmity; or

13.2 occupants over the age of 60 years;

and their spouses, minor children or dependants (who have acquired the written consent of all the holders of housing interests, as defined in section 1 of the act, to occupy a unit at Kingshurst as well as the written consent of the close corporation), as provided for in clause 9 of the contract to which this annexure is annexed.

14. The purchaser's attention is drawn to the rights and remedies available to the purchaser in terms of section 4(3) and sections 8 and 9 of the act.

15. The management structure of Kingshurst on completion will be as follows:

Close corporation	Land owner, the party which will dispose of and transfer rights of occupation and will exercise powers and perform functions concerning the management and operation of Kingshurst.
Management Association	All persons who acquire a right of occupation in Kingshurst.
Managing agent	Bellbuoy CC.

16. The parties, as defined in the contract to which this annexure is annexed, record that the Housing Development Schemes for Retired Persons Act No 65 of 1988 together with its regulations (as amended) were readily available to the purchaser for inspection prior to the signing of the contract.

17. The parties, as defined in the contract to which this annexure is annexed, record that the provisions in this annexure, as required by section 4 of the Housing Development

Schemes for Retired Persons Act No 65 of 1988, are specifically included in the contract to which this annexure is annexed.

18. The close corporation confirms that it will for the time being be the managing agent until such time as an alternative managing agent is appointed by the close corporation should it deem such alternative appointment necessary.
19. The close corporation as developer, as defined in the contract to which this annexure is annexed, will employ the following companies with experience in the field of retirement villages:

19.1 Architects: Design Studio Architects.

19.2 Project builder: WBHO.

19.3 Project Quantity Surveyor/ Project Manager: Cullingworth and Ass.

Rules of conduct applicable to the occupants, as defined in the contract to which this annexure is annexed, of Kingshurst**1. Motor vehicles**

- 1.1 Motor vehicles of occupants and their visitors may only be parked on such areas as are specifically demarcated for that purpose.
- 1.2 Repairs to and reconditioning of vehicles on the land, as defined in the contract to which this annexure is annexed, are not permitted.
- 1.3 Motor vehicles may only be washed on that portion of the land, as defined in the contract to which this annexure is annexed, designated for that purpose.
- 1.4 Vehicles may not travel at speeds in excess of 25 kilometres per hour on any portion of the common property as defined in the contract to which this annexure is annexed.
- 1.5 Motor vehicles of occupants should be garaged at all times so as to leave manoeuvring space for access to neighbouring garages/carports or units.

2. Cycles and other forms of transport

- 2.1 Bicycles may not be left on any portion of the common property, as defined in the contract to which this annexure is annexed, or on any pavement or in any place where they may obstruct or endanger pedestrian traffic on said common property.
- 2.2 Roller skates, skateboards and box carts are not allowed on the land as defined in the contract to which this annexure is annexed.
- 2.3 Caravans, trailers, boats and commercial vehicles will be allowed into the village, with the prior written permission of the management association

provided the aforesaid objects are parked in designated areas as decided upon by the management association from time to time.

3. Laundry

3.1 Washing may be hung out to dry only in the areas specifically set aside for that purpose, ie in such designated area as the management association may decide from time to time.

3.2 Washing hung out to dry is at the sole risk of the person so doing.

3.3 Washing may not be hung out to dry in any part of a unit where it is visible to other residents.

4. Sanitary services

4.1 Rubbish bins may not be visible from the common property, as defined in the contract to which this annexure is annexed, other than at a specific place designated for such bins by the close corporation or management association.

4.2 Rubbish may not be handled contrary to the regulations of the local authority responsible for Kingshurst, eg broken glass must be wrapped in a double layer of newspaper.

4.3 No rubbish or refuse may be left on any portion of the common property, as defined in the contract to which this annexure is annexed, or elsewhere where it will be visible from the common property, whether in a container or not, except for the days on which collection takes place (excluding public holidays) before 08h00. Refuse may only be left outside for collection early in the morning and must be in proper containers. A black bin and black plastic bags must be provided in each drying yard.

4.4 Should occupants, as defined in the contract to which this annexure is annexed, or their domestic staff take refuse directly to the refuse removal areas, such refuse must be deposited in the municipal containers provided.

5. Silence

- 5.1 Silence must be maintained between 22h00 and 07h00.
- 5.2 Motor hooters may not be sounded in Kingshurst.
- 5.3 Radios, musical instruments, record and CD players and TV sets must be used in such manner as not to be heard in adjoining units or on the common property.

6. Gardening and plants

Occupants will be permitted to plant shrubs, flowers and trees on common property, as defined in the contract to which this annexure is annexed, provided the consent of the close corporation has first been obtained, which consent shall not be unreasonably withheld. All gardening shall be done by the persons authorised by the close corporation, unless specifically otherwise agreed.

7. Parking areas

No articles other than motor vehicles or motor cycles.

8. Visitors and children

- 8.1 Visitors may, with the prior written consent of the management association, reside in the unit of a host for a period not exceeding 3 weeks; which period may be extended by the management association from time to time.
- 8.2 Unless a person fulfils the requirements of clause 10 of the contract to which these rules relate, such person shall not without obtaining the written approval by all the members of the management association and the trustees of the close corporation, as defined in the contract to which these rules relate, be permitted to permanently reside in any of the units.

8.3 No ball games are permissible in areas other than those specifically designated for that purpose.

8.4 Occupants, as defined in the contract to which this annexure is annexed, must supervise their children and the children of their visitors so that no damage or nuisance is caused to the common property, or the units of other occupants. In particular, children may not interfere with the post boxes, plants, decorations, name plates, fire hose reels, exterior lights, etc, but not restricted thereto.

9. Activities on common property:

9.1 No hobbies or other activities may be conducted on the common property, if they would cause a nuisance to other occupants.

9.2 Hobbies and other activities which in the sole and absolute opinion of the management association cause undue noise are not permitted at all.

10. Domestic Services

10.1 Domestic staff of occupants will be allowed into Kingshurst, as defined in the contract to which this annexure is annexed, only with the written permission of the management association but may not reside in Kingshurst.

10.2 Occupants must ensure that their domestic staff do not loiter on the common property.

10.3 Occupants must ensure that their domestic staff do not cause undue noise on the common property.

11. Sundry provisions

11.1 Cigarette ends and other objects may not be thrown from windows, stoeps and patios or deposited on any part of the common property.

- 11.2 Common property, as defined in the contract to which this annexure is annexed, and garden areas must be kept neat at all times.
- 11.3 Inflammable or other dangerous material or articles may not be brought into or stored in Kingshurst except with the prior written consent of the management association.
- 11.4 The gardeners and cleaners employed by the management association may not be employed to do any private work for occupants, unless specifically authorised by the management association.
- 11.5 No firearms or air guns may be discharged in Kingshurst.
- 11.6 No stones or other solid objects may be thrown in Kingshurst.
- 11.7 Should any damage of whatsoever nature be caused to any portion of the land, as defined in the contract to which this annexure is annexed, in Kingshurst by the occupant his/her family, his/her tenants, his/her visitors or his/her pets or those pets of his/her family, his/her tenants or his/her visitors, the occupant shall be liable to reimburse the close corporation for the cost of repairing such damage.

12. Pets

- 12.1 Occupants shall, with the written permission of the management association, be entitled to keep one suitable dog or one suitable cat on the premises. All such dogs shall be leashed, and all such dogs and cats shall be properly controlled when on the common property, as defined in the contract to which this annexure is annexed, or any portion of the premises. Should there be any dispute as to what constitutes a "suitable" dog or cat, such decision shall be referred to the management association whose findings shall be final and binding.
- 12.2 No accommodation for any pets kept by an occupant can be sited at any place where it may be in view from any portion of the common property, as defined in the contract to which this annexure is annexed, or the adjoining units.

- 12.3 The removal of any excrement left on the common property, as defined in the contract to which this annexure is annexed, by pets of any of the occupants, as defined in the contract to which this annexure is annexed, shall be the responsibility of the aforesaid occupant concerned.

13. Visitors and tenants

Each occupant, as defined in the contract to which this annexure is annexed, is responsible for the conduct of his/her visitors or tenants and must ensure that these rules contained within this annexure are adhered to.

ADDENDUM

Between

ELANDEO TWELVE CC
REGISTRATION NUMBER: 2009/070329/23

(the "**SELLER**")

and

(the "**PURCHASER**")

PREAMBLE

The Seller and the Purchaser entered into an Agreement for the Grant of a Right of Occupation of a Unit in Kingshurst.

The funding of the whole or a portion of the Purchase Price for the Right of Occupation of the Unit is being derived from the sale of the Purchaser's existing property and it is therefore necessary to vary the terms of the said Agreement in accordance with this Addendum which will be appended to the Agreement on signature by both parties.

1. SUSPENSIVE CONDITION:

- 1.1 The said Agreement for the Grant of a Right of Occupation of a Unit in Kingshurst (hereinafter referred to as "the Agreement") is subject to and conditional upon the sale of the Purchaser's property being _____
_____ at a purchase price of not less than R_____
_____ or such lesser amounts as the Purchaser may agree to and the fulfilment of all suspensive conditions relating to the said sale by not later than _____

- 1.2 The Purchaser will be obliged, within 14 (Fourteen) days from the aforesaid date to furnish the Seller with a Bank guarantee or letter of undertaking, acceptable to the Seller, for the payment of the consideration due by the Purchaser in terms of the Agreement.

2. CONTINUED MARKETING

The Seller will continue to market the granting of the right of occupation of the unit until such time as the Suspensive Condition relating to the Sale of the Purchaser's property has been fulfilled. Should the Seller, during this period, receive another acceptable offer (hereinafter referred to as "the Competing Offer") to purchase the right of occupation, it will have the right to call upon the Purchaser by notice in writing, to waive all Suspensive Conditions to which this offer is subject, thereby making this Sale unconditional, within 3 (three) days of the date when such notice is delivered to the Purchaser, or such extended period as the Seller in its sole discretion may allow.. If the Purchaser fails to waive the condition in writing within the waiving period, the Seller shall be entitled, but not obliged, to accept the competing offer, upon which this sale shall lapse and be null and void.

3. APPOINTMENT OF AN ESTATE AGENT

The Purchaser irrevocably grants Seeff Properties sole selling mandate for the sale of his existing property together with all fixtures and fittings of a permanent nature pertaining thereto, on the following terms and conditions:

- 3.1 The purchase price is R_____ or such lesser amount as the Seller may be prepared to accept.
- 3.2 The Purchaser hereby agrees and undertakes to pay Seeff Properties commission calculated at the rate of 7.5% of the selling price exclusive of VAT.
- 3.3 The sole selling mandate shall commence on _____ and shall remain in force until _____.
- 3.4 The Purchaser, undertakes that he will not during the mandate period, appoint or allow any other estate agent to sell or endeavour to sell his existing property nor will any other party on his behalf sell or endeavour to sell the property.

3.5 The Purchaser is aware of the fact that the commission as stated in paragraph 3.2 herein above is also payable by him in the event that a sale of the property occurs within 30 (Thirty) days after termination of this mandate, whether by effluxion of time or otherwise, to a person introduced to the property as a potential purchaser thereof by Seeff Properties or any third party.

4. APPOINTMENT OF CONVEYANCERS

The Purchaser irrevocably appoints the Seller’s Conveyancers, Lexicon Attorneys, to attend to the transfer of his existing property and undertakes to, on demand from the said Conveyancers, sign all documents required to be signed and do all other things necessary in order that transfer of his existing property may be effected.

Save for the amendments contained herein, the other terms and conditions of the Agreement remain unchanged and applicable and shall continue to govern the relationship between the Seller and the Purchaser.

THUS DONE AND SIGNED at **PORT ELIZABETH** on the _____ day of _____

AS WITNESSES

1. _____

2. _____

SELLER

THUS DONE AND SIGNED at **PORT ELIZABETH** on the _____ day of _____

AS WITNESSES

1. _____

2. _____

PURCHASER