

17 July 2007

THE CUBE

entered into by :

BRASHVILLE PROPERTIES 18 (PTY) LTD

Registration No. 2006/009153/07

A subsidiary of the GRID GROUP

(the "SELLER")

Physical Address: 12 Kubu Avenue, Riverhorse, Durban, Kwazulu Natal.

Postal Address: PO Box 2185, Pinetown, Kwazulu-Natal, 3600

Telephone number: 031-569 6301

Facsimile: 031-569 6763

and

Name:

Identity number/
Registration number:

Income Tax number:

Physical address:

Postal Address:

Telephone number (Home):

Telephone number: (Work):

Facsimile:

Cellular number:

e-mail:

(the "PURCHASER")

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INTRODUCTION

- A The SELLER intends erecting on the PARENT PROPERTY, a sectional title development comprising 72 (SEVENTY TWO) sections to be known as **THE CUBE**, and applying in terms of the provisions of the Sectional Titles Act, No 95 of 1986, or any amendment thereof, for the opening of a sectional title register in respect of the aforementioned development.
- B The SELLER has agreed to sell and the PURCHASER has agreed to buy the PROPERTY on the terms and conditions as set out herein.
- C It is recorded that in addition to the Parent Property, the SELLER is the registered owner of the property described as Portion 11 of Erf 2526 Umhlanga Rocks, Registration Division FU, Province of Kwazulu Natal, and that the SELLER intends selling parking bays (“Additional Parking Bay”) (in terms of a separate Sectional Title Scheme to be known as “The Parkade”) on this property. In the event of the PURCHASER purchasing an Additional Parking Bay the PURCHASER agrees to enter into a separate agreement with the SELLER, as set out in Annexure “G” and agrees to do all things necessary to ensure that this Additional Parking Bay is transferred into its name simultaneously with DATE OF TRANSFER.

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1 SCHEDULE

1.1 SECTION (No). _____

1.2 Approximate extent of the SECTION (m2) _____

1.3 EXCLUSIVE USE AREA (S)

1.3.1 Parking bay(s) (No). _____

1.3.2 extent of parking bay(s) (m2) _____

1.4 Nett Purchase Price R_____

1.5 Value Added Tax on the Purchase Price
R_____

1.6 Total Consideration
R_____

1.7 Less deposit due on signature hereof by the PURCHASER R_____

The Deposit to be paid into the Conveyancers Trust account
Details as follows:

Easton-Berry Inc
Standard Bank
Durban Main (040026)
Account: 050 153 587

Deposit slip / proof of Deposit to be faxed to:

031-251 4250 (Attention Nisha Kuhur/G Stewart)

1.8 Balance R_____ (to be paid in accordance with the provisions of 3.2 of the SCHEDULE)

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1.9 ****This CONTRACT is conditional upon the PURCHASER accepting a Quotation or being granted an Approval in Principle for a loan in an amount of not less than** R_____

within a period of 21 days of the date of signature hereof by the SELLER
(See 2 of the CONDITIONS OF SALE)

**** Note the loan amount may include the Additional Parking Bay as set out in Annexure "G"**

1.10 Mortgage Originator to which AGENT, on behalf of PURCHASER will apply for a loan: **Metallon Home Loans**

1.11 The amount estimated as being the monthly levy payable by the PURCHASER to the Body Corporate of the SCHEME in accordance with the provisions of the ACT R_____

1.12 The amount estimated as being the monthly levy Payable by the PURCHASER of the ASSOCIATION in accordance with the ASSOCIATION'S Articles of Association R_____

1.13 DATE OF OCCUPATION (subject to 4.2 of the CONDITIONS OF SALE) _____

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- 1.14 OCCUPATIONAL INTEREST
(as set out in 5.3
of the CONDITIONS OF SALE) R_____
- 1.15 Permitted use of SECTION:
1.15.1 Ground Floor and First Floor Sections: Multi-Use
1.15.2 All other Sections: Residential
- 1.16 Site Plan Annexure "A"
1.17 Section Plan Annexure "B"
1.18 Basement Parking Plan Annexure "C"
1.19 Specification of Finishes Annexure "D"
1.20 Levy Schedule Annexure "E"
1.21 Home Owners Application Annexure "F"
1.22 Additional Parking Bay purchased Annexure "G"
- 1.23 AGENT: _____

2 SALE

- 2.1 Subject to and in accordance with the provisions hereof and the **CONDITIONS OF SALE** which form an integral part of this Agreement, the SELLER sells and the PURCHASER purchases the PROPERTY.
- 2.2 The SECTION shall be erected substantially in accordance with the PLAN. The PURCHASER agrees that he shall not be entitled to amend or procure any amendments to the PLAN. The PURCHASER acknowledges that the SECTION shall be situated in substantially the position indicated on the SITE PLAN and is to be built in accordance with the SECTION PLAN.
- 2.3 The PURCHASER agrees that the precise area, boundaries and description of the SECTION shall be as shown on the sectional plan and as finally determined and approved by the Surveyor-General and/or the relevant competent authorities and shall be binding upon the parties, provided always that the area of the SECTION shall be within 5% (FIVE PERCENT) of the area as stated in 1.2 of the SCHEDULE.

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3 PREPAYMENTS AND GUARANTEES

- 3.1 The amount referred to in 1.7 of the SCHEDULE shall be paid to the CONVEYANCERS. The PURCHASER by its signature hereto, authorises that such payment shall be invested by the CONVEYANCERS in their Nedbank Corporate Saver account or Investec Corporate Cash Manager account, in terms of Section 78(2) A of the Attorneys Act, all interest to accrue for the benefit of the PURCHASER until the DATE OF TRANSFER whereupon the CONVEYANCERS shall release the capital to the SELLER and all accrued interest, less their usual commission, to the PURCHASER, provided however that interest accruing thereon shall be for the benefit of the SELLER in the event of this agreement being cancelled by the PURCHASER or the PURCHASER electing unilaterally not to proceed, for any reason whatsoever.
- 3.2 The PURCHASER shall secure the due payment of the amount referred to in 1.8 of the SCHEDULE by furnishing the SELLER with a guarantee from a registered South African commercial bank, in a form and on terms acceptable to the SELLER, for such amount. The guarantee will be expressed payable on the DATE OF TRANSFER.
- 3.3 The guarantee referred to in 3.2 shall be furnished by the PURCHASER within 7 (SEVEN) days after request therefor by the CONVEYANCERS. Alternatively the PURCHASER shall be entitled to pay the amount referred to in 3.2 above in cash, which amount shall be dealt with mutatis mutandis as in 3.1 above.

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4 MEMBERSHIP OF THE UMHLANGA RIDGE TOWN CENTRE MANAGEMENT ASSOCIATION

By virtue of the purchase of the PROPERTY by the PURCHASER, the PURCHASER shall be obliged to become a member of the ASSOCIATION within the meaning of and subject to the conditions set out in the ASSOCIATION'S memorandum and articles of association and undertakes that he and all persons deriving use of the PROPERTY or any part thereof through him will, from the DATE OF OCCUPATION, duly comply with all the obligations imposed upon members under the ASSOCIATION'S memorandum and articles of association. The entire operation of this SCHEDULE is subject to and conditional upon the PURCHASER being admitted as a member of the ASSOCIATION and signing the Application form Annexure "F".

5 CONDITION PRECEDENT

This CONTRACT is subject to and conditional upon:

- 5.1 The PLAN and SITE PLAN being approved by MORELAND (in so far as needs be), the ASSOCIATION and the relevant Local Authority and
- 5.2 The PURCHASER taking transfer of the PARENT PROPERTY, and
- 5.3 The SELLERS Development committee deciding to proceed with the development of the SCHEME;

All by no later than 31 January 2008. Should any condition above not be timeously met, this CONTRACT shall lapse and be of no force and effect between the parties.

Notwithstanding the foregoing, it is recorded that the above conditions have been inserted solely for the benefit of the SELLER who may waive compliance therewith prior to 31 January 2008.

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DATED atthisday of 2007.

AS WITNESSES:

- 1.
- 2.

SELLER who warrants that he/ she is duly
authorised hereto.

DATED atthisday of 2007.

AS WITNESSES:

- 1.
- 2.

PURCHASER: Who acknowledge that he /she is
acquainted with and understands the contents of this
CONTRACT and that all the annexures referred to in this
CONTRACT were attached hereto when he/ she signed
same.

DATED atthisday of 2007.

AGENT: Who accepts any benefits conferred in terms of
the Agreement.

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This portion to be signed by spouse / legal guardian / member / director/ trustee in the event of the PURCHASER being a person married in community of property / minor / close corporation / company / trust.

(Full names) _____

of _____

(Full address and telephone number)

hereby consents to the conclusion of this CONTRACT and guarantees and binds himself as surety for and co-principal debtor in solidum with the PURCHASER to the SELLER for the due and punctual fulfilment and discharge of all the conditions and obligations undertaken by the PURCHASER to the SELLER pursuant to this CONTRACT, under renunciation of the benefits of excussion and division with the meaning and effect of which benefits and the renunciation thereof he acknowledges himself to be acquainted.

No variation or amendment or novation of this CONTRACT shall prejudice the suretyship obligations hereby undertaken by the aforesaid guarantor, the object being that he shall remain liable at all times as surety and co-principal debtor, even if this CONTRACT is varied or amended or novated and even if the aforesaid PURCHASER is granted an indulgence by the SELLER.

Signed by the guarantor at _____ on this _____ day of _____ 2007.

AS WITNESSES :

1.

2.

GUARANTOR

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CONDITIONS OF SALE

1 DEFINITIONS AND INTERPRETATION

For the purposes of the SCHEDULE and the CONDITIONS OF SALE, unless the context indicates to the contrary -

- 1.1 "ACT" means the Sectional Titles Act No. 95 of 1986 (as amended) and any regulations in force thereunder;
- 1.2 "AGENT" means the Agent nominated by the Seller, responsible for the conclusion and signature of this Contract.
- 1.3 "ARCHITECT" means the architect nominated by the SELLER namely Elphick Proome Architects;
- 1.4 "ASSOCIATION" means the Umhlanga Ridge Town Centre Management Association (an Association incorporated under Section 21 of the Companies Act of 1973);
- 1.5 "this CONTRACT" means the SCHEDULE, these CONDITIONS OF SALE and all Annexures thereto;
- 1.6 "SCHEDULE" means the SCHEDULE to which these conditions of sale form an integral part;
- 1.7 "CONDITIONS OF SALE" means these conditions of sale;
- 1.8 "CONVEYANCERS" means Easton-Berry Inc, 3 The Crescent East, Westway Office Park, Westville, Phone: 031-251 4000, Fax: 031-251 4250.
- 1.9 "DATE OF OCCUPATION" means the date specified in 1.13 of the SCHEDULE or, if applicable, the later date as specified by the SELLER in terms of the provisions of 4.2.1 of the CONDITIONS OF SALE as the date by which the SECTION is sufficiently complete for beneficial occupation;
- 1.10 "DATE OF TRANSFER" means the date of registration of transfer of the UNIT into the name of the PURCHASER;

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- 1.11 "EXCLUSIVE USE AREA" means the exclusive use area(s) to be used as Parking Bays and to be transferred to the Body Corporate and allocated in terms of the RULES, to the UNIT in terms of Section 27A of the ACT and as specified in paragraph 1.3 of the SCHEDULE, over which the owner of the UNIT shall have exclusive use, the position of which area(s) is shown on the Basement Parking Plan;
- 1.12 "MANAGING AGENT" means the agent appointed by the Seller to manage the Scheme, namely Trafalgar Property Group
- 1.13 "MORELAND" means Moreland Developments (Pty) Ltd, Registration No. 1981/012378/07;
- 1.14 "PARENT PROPERTY" means Portion 12 of Erf 2526 Umhlanga Rocks, Registration Division FU, Province of Kwazulu-Natal, in extent approximately 2 430 (TWO THOUSAND FOUR HUNDRED AND THIRTY) square metres;
- 1.15 "PLAN" means the Section plan and Schedule of Finishes which are Annexure "B" and "D" to the CONDITIONS OF SALE, respectively;
- 1.16 "PROPERTY" means the UNIT and the EXCLUSIVE USE AREA (if any);
- 1.17 "PURCHASER" means the purchaser in terms of this CONTRACT and designated as such in the introductory section of the SCHEDULE and its successors in title or permitted assigns in the case of Company, Close Corporation or other legal persona and its successors in title, heirs, administrators or executors, in the case of a natural person;
- 1.18 "RULES" means all the rules of the Body Corporate of the SCHEME and the rules of the ASSOCIATION (which are more fully referred to in paragraph 7 of the CONDITIONS OF SALE);
- 1.19 "SECTION" means the proposed section in the SCHEME, referred to in paragraph 1.1 of the SCHEDULE, which section is shown on the PLAN and the SITE PLAN;
- 1.20 "SELLER" means Brashville Properties 18 (Pty) Ltd its successors in title or assigns;

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- 1.21 "SCHEME" means the sectional title scheme to be known as **THE CUBE** comprising the PARENT PROPERTY and all buildings constructed and to be constructed thereon;
- 1.22 "TOWN CENTRE" means "Town Centre" as defined in the ASSOCIATION'S Articles of Association;
- 1.23 UNIT" means :
- 1.23.1 the SECTION; and
- 1.23.2 an undivided share in the common property in the SCHEME apportioned to the SECTION in accordance with the participation quota;
- 1.24 words importing a gender shall include all genders and the singular shall include the plural and vice versa;
- 1.25 Words or expressions defined in the ACT shall have the same meanings in this CONTRACT;
- 1.26 clause headings are inserted purely for convenience and shall not be relevant in interpreting the contents of the clauses to which they relate;
- 1.27 if the PURCHASER consists of more than one person, such persons shall be jointly and severally liable in solidum for all their obligations in terms of this CONTRACT;
- 1.28 no indulgence or relaxation which the SELLER may allow to the PURCHASER in regard to the carrying out of the PURCHASER'S obligations in terms of or pursuant to this CONTRACT shall prejudice the SELLER'S rights under this CONTRACT in any manner whatsoever, or be regarded as a waiver of the SELLER'S rights in terms of this CONTRACT, or be construed to act as an estoppel against the SELLER to otherwise strictly enforce compliance of the PURCHASER'S obligations in terms of this CONTRACT.

2 LOAN FROM FINANCIAL INSTITUTION

- 2.1 If this CONTRACT is subject to the PURCHASER obtaining a loan of not less than the amount stated in 1.9 of the SCHEDULE, the PURCHASER, by its

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signature to this Agreement, hereby irrevocably appoints the AGENT to make application on its behalf and in its name and place and stead, to the Mortgage Originator referred to in 1.10 of the SCHEDULE for the issue of a Quotation or Approval in Principle for the amount of the loan.

2.2 The AGENT, on the PURCHASERS behalf, undertakes forthwith to apply for the said loan and if the Mortgage Originator has not secured a Quotation accepted by the Purchaser or an Approval in Principle by the date stated in 1.9 of the SCHEDULE, or by such later date as the SELLER may agree to in writing, or if such Quotation or Approval in Principle is granted subject to conditions that are not reasonably acceptable to the SELLER, then this CONTRACT shall be deemed to be null and void and of no further force or effect.

2.3 If this CONTRACT is so terminated, the SELLER shall forthwith repay or procure the repayment of all amounts paid by the PURCHASER in respect of the purchase consideration of the PROPERTY and the PURCHASER shall immediately vacate the PROPERTY, if in occupation thereof, and restore it to the same good order and condition as it was at the DATE OF OCCUPATION (fair wear and tear accepted).

2.4 The AGENT and PURCHASER undertake, due regard being had to the nature of the SCHEME, to ensure that the CONVEYANCERS are instructed to attend to the registration of the Mortgage Bond / Loan.

3 COMPLETION OF THE UNIT

3.1 The SELLER hereby undertakes to procure that the SECTION is erected substantially in accordance with the PLAN and is sufficiently complete for beneficial occupation, by the DATE OF OCCUPATION, provided the PURCHASER has paid or duly secured the Total Consideration referred to in 1.6 of the SCHEDULE and any Levies or other costs which may be due and payable.

3.2 The PURCHASER shall not give any instructions of any nature to the ARCHITECT or the SELLER or the relevant sub-contractor(s).

3.3 The PURCHASER shall, within 30 (THIRTY) days after the DATE OF OCCUPATION, deliver to the SELLER a list, signed by himself, enumerating any defects in the SECTION where same are due to defective materials or

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workmanship, and the SELLER shall procure that such defects are made good as expeditiously as possible in the circumstances. Once such defects have been made good to the satisfaction of the ARCHITECT (acting as an expert and not an arbitrator and whose decision shall be final and binding on the parties), the PURCHASER shall have no further claim against the SELLER, save as otherwise provided for herein.

- 3.4 Save as provided in this CONTRACT, the PURCHASER purchases the PROPERTY voetstoots and shall have no claim against the SELLER in respect of any defects whether latent or patent in the SECTION or the common property of the SCHEME.
- 3.5 If there is any dispute between the PURCHASER and the SELLER as to whether the SECTION has been constructed substantially in accordance with the PLAN and/or has been erected in substantially the position as reflected in the SITE PLAN and/or is sufficiently complete for beneficial occupation and/or whether there are any defects in the UNIT due to defective materials or workmanship, then such dispute shall be referred to the ARCHITECT (acting as an expert and not as an arbitrator) whose decision shall be final and binding upon the parties.
- 3.6 The PURCHASER acknowledges that after completion of construction of the SECTION the SELLER and/or its agents, contractors and workmen may be engaged in erecting other buildings and other structures on the SCHEME and the PURCHASER agrees that the SELLER and/or its agents, contractors and workmen shall at all times have access to the SCHEME for the purposes of carrying out such work as may be necessary to enable the SELLER to procure the erection of the aforementioned. The PURCHASER shall have no claim whatever against the SELLER by reason of any inconvenience or interference with the PURCHASER'S rights arising here from and the PURCHASER shall not, in any way whatsoever, interfere with the performance of the aforesaid work.
- 3.7 The SELLER warrants that it is registered as a "home builder" and that the UNIT has, or will be enrolled, with the National Home Builders Registration Council as contemplated in the Housing Consumer Protection Measures Act, No. 95 of 1998.
- 3.8 As is required in terms of Section 13(2)(a) of the aforesaid Act 95 of 1998, the SELLER warrants that:

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- 3.8.1 the UNIT shall be constructed in a proper and workmanlike manner;
- 3.8.2 will be fit for habitation on the DATE OF OCCUPATION;
- 3.8.3 shall be constructed in accordance with:
 - 3.8.3.1 the National Home Builders Registration Council Technical Requirements to the extent applicable to the UNIT at the date of enrolment of the UNIT with the National Home Builders Registration Council; and
 - 3.8.3.2 the terms, plans and specifications referred to in this CONTRACT.
- 3.9 As provided for in Section 13(2)(b) of the aforesaid Act 95 of 1998, the SELLER undertakes to:
 - 3.9.1 rectify any major structural defects in the UNIT caused by non-compliance with the National Home Builders Registration Council's Technical Requirements which occur within a period of five (5) years from the DATE OF OCCUPATION and of which the SELLER is notified of by the PURCHASER within that period;
 - 3.9.2 rectify non-compliance with or deviation from the terms, plans and specifications referred to in this CONTRACT or any deficiency related to design, workmanship or material, of which the SELLER is notified by the PURCHASER of within a period of three (3) months from the DATE OF OCCUPATION;
 - 3.9.3 repair roof leaks attributable to workmanship, design or materials occurring and of which the SELLER is notified by the PURCHASER of within a period of twelve (12) months from the DATE OF OCCUPATION.
- 3.10 In no way detracting from the generality of any other provision in this CONTRACT, it is recorded that the SELLER may, at the SELLER'S discretion, elect not to install any item on the Schedule of Finishes (which forms part of the PLAN), provided that the SELLER installs a similar item of a similar quality in its place. If there is any dispute as to whether the SELLER has installed an item of a similar quality, such dispute shall be referred to the ARCHITECT (acting as an expert and not as arbitrator) whose decision shall be final and binding on the parties.

4 OCCUPATION DATE

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4.1 The SELLER hereby undertakes to use its best endeavours to give to the PURCHASER beneficial occupation of the SECTION by the date stipulated in 1.13 of the SCHEDULE, provided the PURCHASER has paid or duly secured the Total Consideration referred to in 1.6 of the SCHEDULE, together with all Levies and other costs which may be due and payable.

4.2 If, however, the SELLER is of the opinion that, for whatever reason, the SECTION will not be sufficiently complete for beneficial occupation by the date specified in 1.13 of the SCHEDULE, then –

4.2.1 the SELLER shall notify the PURCHASER of such fact at least 30 (THIRTY) days before such date. In such event the PURCHASER shall accept possession, occupation and use of the SECTION on the date the SELLER notifies him in writing that the SECTION will be sufficiently complete for beneficial occupation, and such subsequent date shall be deemed for all purposes to be the DATE OF OCCUPATION; and

4.2.2 if the SECTION is not sufficiently complete for beneficial occupation within 12 (TWELVE) calendar months after the date specified in 1.13 of the SCHEDULE, the PURCHASER shall have the right on notice to the SELLER to resile from this CONTRACT. In such event the PURCHASER shall be entitled to receive a refund of an amount equal to the aggregate of all payments made by the PURCHASER in respect of the Total Consideration referred to in 1.6 of the SCHEDULE; and

4.2.3 the PURCHASER shall have no claim of whatsoever nature or howsoever arising against the SELLER for failing for any reason to give possession, occupation and use of the SECTION to the PURCHASER on or before the DATE OF OCCUPATION.

4.3 In the event of any dispute as to when or whether the SECTION is sufficiently complete for beneficial occupation, a certificate by the ARCHITECT (acting as an expert and not an arbitrator) certifying that the SECTION is sufficiently complete for beneficial occupation, shall be final and binding upon the parties.

5 RIGHTS AND OBLIGATIONS IN RESPECT OF OCCUPATION

5.1 The PURCHASER acknowledges that on the DATE OF OCCUPATION the TOWN

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CENTRE, including the SCHEME, may be incomplete and that he and every person claiming occupation and use through him may suffer inconvenience from building operations and from noise and dust resulting therefrom and the PURCHASER shall have no claim whatsoever against the SELLER, the ASSOCIATION or MORELAND by reason of any such inconvenience.

5.2 From the DATE OF OCCUPATION the PURCHASER –

5.2.1 shall be entitled to beneficial occupation of the SECTION as if he was the owner thereof, and the SECTION shall be used only for purposes specified in paragraph 1.15 of the SCHEDULE and for no other purpose whatsoever. The maximum number of persons that shall be entitled to occupy the PROPERTY shall be determined by multiplying the number of bedrooms in the PROPERTY by 2 (TWO).

5.2.2 shall, at his own expense, maintain the interior of the SECTION in a good, clean and thoroughly tenantable and attractive condition, and where necessary repair or refurbish any damaged item and replace any lost item.

5.2.3 shall, at his own expense, maintain in a good working order and condition all electrical, plumbing and sewerage installations and appurtenances of whatever nature, serving the SECTION.

5.2.4 shall, if the SECTION is separately metered for the supply of electricity and/or water thereto, make arrangements with the suppliers to obtain the relevant connections and shall pay for any consumption thereof;

5.2.5 shall be entitled to the use and enjoyment, along with occupiers of other sections in the SCHEME, of those parts of the common property of the SCHEME not subject to rights of exclusive use, subject to the RULES. In using the common property of the SCHEME, the PURCHASER shall do so in such a manner so as to not interfere unduly or unreasonably with the lawful rights of the use and enjoyment thereof by other occupiers of the sections in the SCHEME or other persons lawfully upon the SCHEME. The PURCHASER shall procure that all other occupants of the SECTION comply with the provisions of this CONTRACT;

5.2.6 shall at all times comply with the provisions of the ACT and the RULES;

5.2.7 waives all claims against the SELLER, the ASSOCIATION and MORELAND for

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any loss or damage to property or any injury to person which the PURCHASER may sustain in or about the PROPERTY, the SCHEME or the TOWN CENTRE and indemnifies the SELLER, the ASSOCIATION and MORELAND against any such claim that may be made against the SELLER or the ASSOCIATION or MORELAND by an employee of the PURCHASER'S or any tenant, nominee, invitee or any other person who occupies the SECTION or goes upon the SCHEME or the TOWN CENTRE by virtue of the PURCHASER'S rights thereto, for any loss or damage to property or injury to person suffered in or about the SECTION, the SCHEME or the TOWN CENTRE howsoever such loss or damage to property or injury to person may be caused;

- 5.2.8 shall not, without the prior written consent of the SELLER and the ASSOCIATION, make or cause or allow to be made any change or improvements to the SECTION or remove or demolish any improvements whatever. If any such changes or improvements are made, with or without the prior written consent of the SELLER, the PURCHASER shall not have any claim against the SELLER in respect of any expenditure upon or improvements to the SECTION.
- 5.3 With effect from the DATE OF OCCUPATION until the DATE OF TRANSFER (both days inclusive), the PURCHASER shall pay to the SELLER, OCCUPATIONAL INTEREST at the rate set out in 1.14 of the SCHEDULE. Such occupational interest shall be payable monthly in advance on the first day of each and every month and pro-rated for any portion of a month.
- 5.4 shall be liable for the payment of all services provided to the SECTION in the form of telephones, television, electricity and water and any deposits payable in connection with the supply of any such services.
- 5.5 All the benefit of and risk in and to the UNIT shall pass to the PURCHASER on the DATE OF OCCUPATION.
- 5.6 The SELLER and the ASSOCIATION either personally or through their servants or agents shall be entitled at all reasonable times to have access to the SECTION and the common property of the SCHEME for the purpose of inspection or to carry out any maintenance or repairs whether relative to the SECTION or not, and the PURCHASER shall have no claim against the SELLER and the ASSOCIATION for any disturbance in his occupation arising out of the exercise of the rights hereby conferred.

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- 5.7 The PURCHASER shall not use the SECTION or permit it to be used in such manner or for such purposes as shall cause a nuisance to any occupier of any section in the SCHEME or other persons in the TOWN CENTRE or interfere with the amenities of the SCHEME or the TOWN CENTRE or so as to breach the RULES or any law, ordinance or by-law or provision of the Town Planning Scheme in force in relation to the SCHEME or the TOWN CENTRE.
- 5.8 The PURCHASER shall have exclusive use of the EXCLUSIVE USE AREAS as shown on the Basement Plan, from the DATE OF OCCUPATION. The PURCHASER shall at all times only use these areas for the purposes designated in the RULES and generally, in accordance with the provisions of the RULES and the ACT.
- 5.9 It is recorded that, for the purposes of this clause 5.9 of the CONDITIONS OF SALE, "Parking Bay" shall mean an area, whether covered or uncovered, within which a light motor vehicle may be parked.) The PURCHASER acknowledges and agrees that the maintenance, administrative, security, insurance and other costs incurred by the Body Corporate of the SCHEME in respect of the aforesaid parking bay(s) shall be payable by the PURCHASER to the Body Corporate of the SCHEME as part of the monthly levy. The SELLER makes no warranties as to the aforesaid Parking Bays other than warranties specifically made in this CONTRACT. The PURCHASER shall use the aforesaid parking bays subject to the provisions of the RULES.

6 LEVY AND OTHER CHARGES

- 6.1 The PURCHASER accepts liability with effect from the DATE OF OCCUPATION for payment of two monthly levies. One monthly levy shall be payable to the body corporate of the SCHEME (and prior to the body corporate's formation, to the SELLER) in respect of those items listed in the ACT. A second levy shall be payable to the ASSOCIATION in accordance with the ASSOCIATION'S Articles of Association.
- 6.2 The amounts stated in 1.11 and 1.12 of the SCHEDULE are estimations of the monthly levies payable by the PURCHASER, made in good faith by the SELLER and the SELLER shall not be responsible for any inaccuracy in this estimation.
- 6.3 The PURCHASER acknowledges that the levy payable to the ASSOCIATION shall not be calculated in accordance with participation quota of the UNIT, but in accordance with the provisions of the ASSOCIATION'S Articles of Association

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of the ASSOCIATION.

- 6.4 The PURCHASER agrees that he shall have no right to reclaim from the ASSOCIATION any amount paid to the ASSOCIATION by way of a monthly levy or special levy, save as provided herein.

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7 RULES

- 7.1 The PURCHASER acknowledges that the directors of the ASSOCIATION shall be entitled at all times to lay down rules in regard to –
- 7.1.1 the preservation of the natural environment;
 - 7.1.2 vegetation and flora and fauna in the TOWN CENTRE;
 - 7.1.3 the placing of movable objects upon or outside the buildings included in the TOWN CENTRE, including the power to remove any such objects;
 - 7.1.4 the storing of flammable and other harmful substances;
 - 7.1.5 the conduct of any persons within the TOWN CENTRE and the prevention of nuisance of any nature to any owner of immovable property in the TOWN CENTRE;
 - 7.1.6 the use of land within the TOWN CENTRE;
 - 7.1.7 the use of roads, pathways and open spaces;
 - 7.1.8 the imposition of fines and other penalties to be paid by members of the ASSOCIATION;
 - 7.1.9 the management, administration and control of the common areas and open spaces;
 - 7.1.10 the Design Guidelines for the erection of all buildings and other structures, including service connections to buildings;
 - 7.1.11 the Design Guidelines for the establishment, installation and maintenance of gardens, both public and private;
 - 7.1.12 the use by owners and their tenants of buildings and other structures and the upkeep, aesthetics and maintenance of such buildings;
 - 7.1.13 the use of adjoining sidewalks, road frontages and parking areas;

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7.1.14 generally in regard to any other matter which the directors of the ASSOCIATION from time to time considers appropriate,

and the PURCHASER undertakes and shall be obliged, with effect from the DATE OF OCCUPATION, to abide by such rules as if he was the owner of the PROPERTY and to ensure that all tenants, nominees, invitees and other persons who occupy the PROPERTY and/or go upon the TOWN CENTRE by virtue of the PURCHASER'S rights thereto, do likewise.

7.2 The PURCHASER shall be obliged to bring the RULES to the attention of any tenant prior to such tenant taking possession of the PROPERTY or any portion thereof.

8 TRANSFER

8.1 The PURCHASER acknowledges that it is not possible for the SELLER to give transfer of the UNIT to the PURCHASER until such time as the SCHEME'S sectional title register is opened in terms of the ACT. Accordingly the SELLER undertakes, within a reasonable time and at its own expense, to take such steps as may be reasonably necessary to procure the opening of the said sectional title register.

8.2 Notwithstanding anything to the contrary herein contained, this CONTRACT in its entirety is subject to the resolute condition that the said sectional title register is opened by no later than 12 (TWELVE) calendar months from the date specified in 1.13 of the SCHEDULE (or such later date in terms of 4.2 of the CONDITIONS OF SALE). If the said sectional title register is not opened by such date, then failing any agreement to the contrary arrived at between the parties and recorded in writing, the PURCHASER shall have the right on notice to the SELLER to resile from this CONTRACT, and in such event –

8.2.1 the PURCHASER and every person claiming occupation through the PURCHASER shall vacate the SECTION on a date stated in such notice to the SELLER provided that such date shall not be a date later than 30 (THIRTY) days from the date of the notice, and the PURCHASER shall re-deliver the SECTION to the SELLER in the same good order and condition as at the DATE OF OCCUPATION, fair wear and tear excepted;

8.2.2 the PURCHASER shall be entitled, upon redelivery of the SECTION pursuant to 8.2.1 of the CONDITIONS OF SALE, to be refunded all monies paid on account

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of the purchase price;

- 8.2.3 save as herein provided, neither of the parties shall in such event have any further claims whatsoever against the other, nor shall the PURCHASER be entitled to claim or allege any right of occupation or tenancy of the SECTION.
- 8.3 The PURCHASER shall, within 7 (SEVEN) days of being called upon to do so by the CONVEYANCERS –
- 8.3.1 pay to the CONVEYANCERS all costs of and incidental to the passing of Transfer of the UNIT and registration of any Mortgage Bond, including stamp duty, bond costs, bank charges and all conveyancing fees and disbursements;
- 8.3.2 furnish all such information, sign all such documents that may be necessary or required to enable the CONVEYANCERS to pass transfer of the UNIT or register the Mortgage Bond; and
- 8.3.3 the CONVEYANCERS shall pass transfer of the UNIT to the PURCHASER, and register the Mortgage Bond as soon as is reasonably practicable in the circumstances, provided the PURCHASER has complied with all his obligations under this CONTRACT.
- 8.4 No liability of any nature whatsoever shall attach to the SELLER arising out of any delays in effecting transfer of the UNIT to the PURCHASER.
- 8.5 It is recorded that in order to effect transfer of the PROPERTY, the CONVEYANCERS shall be required to lodge, inter alia, a Transfer Duty exemption certificate, issued by the South African Revenue Services (hereinafter in this paragraph referred to as “SARS”) with the Deeds Registry. It is further recorded that SARS have adopted a policy of not issuing the aforesaid certificate in the event of any party to the transaction in question being in arrears with the payment of any amounts SARS believes is due to it or otherwise not being in compliance with Tax Laws. Should SARS refuse to issue a Transfer Duty exemption certificate in respect of the sale of the PROPERTY, in terms of this CONTRACT, due to the fact that the PURCHASER is in arrears with any payments to SARS or is otherwise not complied with any Tax Laws, then in that event, the PURCHASER shall be deemed to be in breach of this CONTRACT OF SALE and the SELLER shall be entitled to cancel this CONTRACT should the PURCHASER not rectify such breach within 7(SEVEN) days of receipt of a notice from the SELLER calling upon him to

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remedy such breach. Further, should there be any delay in the issue of the aforesaid Transfer Duty exemption certificate by SARS for either of the aforesaid reasons, then in that event, the PURCHASER shall be deemed to be delaying the registration of transfer which shall entitle the SELLER to claim mora interest from the PURCHASER as contemplated in paragraph 19 of the CONDITIONS OF SALE.

- 8.6 The PURCHASER shall be obliged to accept transfer of the UNIT subject to –
- 8.6.1 the conditions, reservations and servitudes which burden the PARENT PROPERTY;
- 8.6.2 such conditions of sectional title as are imposed by the SELLER, the ASSOCIATION, the local authority and the Minister of Local Government (KwaZulu-Natal);
- 8.6.3 any change in the number of the SECTION;
- 8.6.4 a condition registered against the title deed to the UNIT to the effect that the UNIT or any portion thereof or interest therein shall not be alienated, leased or transferred without the written consent of the ASSOCIATION first being had and obtained;
- 8.6.5 any change in the name of the SCHEME;
- 8.6.6 a condition registered against the Title Deed to the UNIT to the effect that the UNIT shall be used for no purposes whatsoever, save for the purposes specified in paragraph 1.15 of the SCHEDULE.

9 PURCHASER'S ACKNOWLEDGEMENTS

- 9.1 The Body Corporate of the SCHEME shall not do anything which shall be in contravention of the ASSOCIATION'S Articles of Association or its rules and the aforesaid Body Corporate, once formed, shall be required to give the ASSOCIATION an undertaking to this effect.

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- 9.2 The PURCHASER hereby undertakes that he will, at all times, co-operate with the SELLER in its endeavour to facilitate the success of the SCHEME. Also in this respect, the PURCHASER undertakes that he shall not in any way interfere with the proposed development of the SCHEME, nor lodge an objection with any competent authority in respect of any proposed aspect of the SCHEME. In particular, without derogating from the generality of the aforesaid, the PURCHASER agrees that he will not object to any application made by or on behalf of the SELLER, its nominee or agent for special usage, licences for shopping and commercial rights, rezoning, removal of conditions of title under the Removal of Restrictive Conditions Act, or by way of application to Court or to any local or competent authority in respect of any portion of the SCHEME.
- 9.3 The PURCHASER acknowledges that he is aware of the intended future development of the TOWN CENTRE by MORELAND. Such development is intended to involve the establishment of high quality business and commercial premises and residential dwellings on various portions of the TOWN CENTRE and so designed as to facilitate an aesthetic and harmonious blending with the environment. The PURCHASER undertakes that he will, at all times, co-operate with MORELAND in an endeavour to facilitate the success of the said developments. Also in this respect, the PURCHASER undertakes that he shall not unreasonably interfere with any such proposed development nor unreasonably lodge any objection with any competent authority in respect of any such development. In particular, but without derogating from the generality of the foregoing, the PURCHASER agrees that he will not object to any application made by or on behalf of MORELAND, its nominee or agent for special usage consent, licences for shopping, commercial or filling station rights, rezoning, removal of conditions of title under the Removal of Restrictive Conditions Act or by way of any application to Court or to any local or other competent authority in respect of any property within the TOWN CENTRE.
- 9.4 The PURCHASER shall not be entitled to sell or otherwise transfer ownership of the UNIT unless it is a suspensive condition of such sale or other transfer that –
- 9.4.1 the ASSOCIATION grants its written consent to such sale or other transfer (which consent it shall be entitled to withhold in the event of any monies being due and owing to the ASSOCIATION by the PURCHASER or the PURCHASER being in breach of any of the Articles of Association of the ASSOCIATION or any Rules made by the ASSOCIATION, from time to time, and

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failing to remedy such breach);

9.4.2 the transferee, in a manner acceptable to the ASSOCIATION, agrees to become a member and is admitted as a member of the ASSOCIATION;

9.5 In order to maintain high standards and with a view to ensuring an attractive and harmonious development within the TOWN CENTRE, any building or other structure to be erected on the PARENT PROPERTY or any alterations or extensions to be effected to any building or structure on the PARENT PROPERTY, shall be done strictly in accordance with building plans which have been submitted to and approved of in writing by the Design Review Committee of the ASSOCIATION and the local and/or any other competent authority and no work whatsoever shall commence until such time as the relevant approvals have been obtained. The PURCHASER acknowledges that it is aware of the ASSOCIATION'S various requirements in this regard and in no way detracting from the generality of the aforesaid, it is aware of the provisions of the ASSOCIATION'S Development Manual and Architectural Controls. It is recorded that the aforesaid permissions shall be required in addition to the permission of the Body Corporate of the SCHEME, in terms of the ACT, and that of the relevant local authority.

9.6 No unit or area of the common property in the SCHEME shall be used for the purposes of servant's quarters. It is recorded that this provision will be incorporated into the Rules of the Body Corporate of the SCHEME on the opening of the Sectional Title Register of the SCHEME.

10 AGENT'S COMMISSION

10.1 The SELLER shall pay a selling commission to the AGENT in accordance with the agent's mandate from the SELLER.

10.2 The SELLER authorises the Conveyancers to pay the agreed commission to the AGENT on DATE OF TRNSFER, such commission to be deducted from the proceeds of the Purchase Price.

10.3 The PURCHASER warrants that no agent, other than the AGENT, was responsible for introducing him to the UNIT and further warrants that no other agent will have any claim against the SELLER for agent's commission arising out of this transaction. The PURCHASER indemnifies and holds harmless the

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SELLER against any loss, damage or expense sustained, suffered or incurred by the SELLER arising out of any breach of the foregoing warranty.

10.4 The PURCHASER acknowledges and agrees that he shall be responsible for the full commission payable to the AGENT in the event of cancellation by the PURCHASER for any reason whatsoever and the PURCHASER by his signature hereto irrevocably authorises the CONVEYANCERS, without further reference to the PURCHASER, to deduct the commission and tariff wasted Conveyancing Costs, from the Deposit held by the CONVEYANCERS and any interest accrued and pay to the parties concerned.

11 DEFAULT

11.1 If the PURCHASER fails to pay any amount in terms of this CONTRACT, or

11.2 If the PURCHASER or SELLER ("The Defaulting Party"):

11.2.1 commits any breach of the conditions of this CONTRACT or of the ASSOCIATION'S articles of association or of the RULES, and should the PURCHASER or SELLER fail to remedy such breach within 7 (SEVEN) days of the date of delivery, if delivered by hand, or receipt if posted by prepaid registered post, of a written notice calling on him to remedy such breach, by the other Party ("The Aggrieved Party") or

11.2.2 commits a repetition of such breach within a period of two months after having been warned by the Aggrieved Party to desist therefrom,

then the Aggrieved Party shall be entitled, without prejudice to any other rights which it may have at law or in terms hereof and at its election to -

11.3 cancel this CONTRACT, and

11.4 in the case of the SELLER to retake possession of the UNIT, in which event all amounts paid to the SELLER or to the CONVEYANCERS (including any amount paid in trust) shall be forfeited to and retained by the SELLER as rouwkoop; alternatively if the SELLER so elects he may recover any damages however incurred as a result of such cancellation (including any loss and expenses on a resale, whether by public auction or private treaty), in which case the amount or amounts paid to the SELLER or the CONVEYANCERS as aforesaid shall not be forfeited as rouwkoop but may be retained by the SELLER by way

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of set off or partial set off against the damages claimed by the SELLER; or

11.5 claim immediate performance by the Defaulting Party of all his obligations in terms of this CONTRACT whether or not the due date for the performance shall otherwise have arrived.

11.6 Notwithstanding the foregoing, should the SELLER exercise any of its rights in terms hereof and should the PURCHASER dispute the SELLER'S right to do so, then pending the determination of that dispute, the PURCHASER shall continue to pay all amounts payable in terms of this CONTRACT on the due date thereof, and to comply with all the terms hereof, and the SELLER shall be entitled to recover and accept such payments and/or other performance without prejudice to the SELLER'S claim to have exercised its rights in terms hereof, and in the event of the SELLER succeeding in such dispute, the SELLER shall be entitled to retain such amounts received in the interim as payment for the occupational rights exercised and/or enjoyed by the PURCHASER in the interim.

11.7 For all purposes of this CONTRACT any act or omission on the part of any tenant, nominee or other person who occupies the UNIT, or invitee of the PURCHASER, or of such tenant, nominee or other person who occupies the UNIT, or goes upon the TOWN CENTRE, shall be deemed to be an act or omission of the PURCHASER.

12 JURISDICTION AND COSTS

12.1 In the event of any action or application arising out of this CONTRACT, the parties hereby consent to the jurisdiction of the Magistrate's Court otherwise having jurisdiction under section 28 of the Magistrate's Court Act of 1944, as amended. Notwithstanding that such proceedings are otherwise beyond the said court's jurisdiction, this clause shall be deemed to constitute the required written consent conferring jurisdiction upon the said court pursuant to Section 45 of the Magistrate's Court Act of 1944, as amended.

12.2 Notwithstanding anything to the contrary herein contained the SELLER shall have the right at the SELLER'S sole option and discretion to institute proceedings in any other court which might otherwise have jurisdiction.

12.3 In the event of it becoming necessary for the SELLER to take any action against the PURCHASER as contemplated herein, the PURCHASER agrees to

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pay to the SELLER all the attendant costs and expenses incurred by the SELLER as between attorney and client.

13 **SOLE CONTRACT**

The PURCHASER acknowledges that this CONTRACT constitutes the sole basis of the contract between himself and the SELLER, and that he has not been induced to enter into such contract by any representations or warranties (whether contained in any letter, brochure, advertising material or otherwise) other than those contained herein and he shall be deemed to have satisfied himself in regard to all other relevant matters of whatsoever nature not specially dealt with herein. Any agreement between the PURCHASER and the SELLER to cancel, alter or add to this CONTRACT shall not be binding and shall be of no force or effect unless reduced to writing and signed by the parties hereto, or by their agents acting on their written instructions.

14 **INDEMNITY**

The SELLER does not warrant any information given in respect of the PROPERTY, whether this information is given prior to or subsequent to the signing of this CONTRACT, save for the information in respect of the PROPERTY specifically warranted in this CONTRACT. The SELLER shall not be liable for any claim of any nature whatsoever that may arise due to any inaccuracies in information given by the SELLER to the PURCHASER, his agent or his nominee in respect of the PROPERTY and the PURCHASER hereby indemnifies the SELLER and holds it harmless against and in respect of any injury, loss or damage however caused which the PURCHASER may suffer as a result of any inaccuracies in any information given by the SELLER (save for the information specifically warranted in this CONTRACT).

15 **DOMICILIUM**

15.1 The PURCHASER chooses as his **domicilium citandi et executandi** and as the address at which notices may be delivered or faxed to him, at the physical address or facsimile as set out in the heading to the SCHEDULE.

15.2 Any written notice posted by prepaid registered post shall be deemed to have been duly received 5 (FIVE) days after the date of such posting.

15.3 Any written notice sent by facsimile shall be deemed to have been duly

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received on the date of confirmed facsimile.

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16 COSTS

The SELLER shall bear its own costs in connection with the preparation and execution of this CONTRACT.

17 CESSION

17.1 The PURCHASER shall not sell, assign, cede or dispose of its rights under this CONTRACT, prior to the DATE OF TRANSFER without the written consent of the SELLER which consent shall not be unreasonably withheld.

17.2 In the event of the SELLER granting the PURCHASER the written consent to sell, assign, cede or dispose of its rights prior to the DATE OF TRANSFER, the PURCHASER shall be obliged, in so far as an Agent is necessary, to engage the services of the AGENT.

18 ARREARS

18.1 Any amounts in arrear in terms of this CONTRACT shall bear interest at the rate equal to 2 (TWO) percentage points above the minimum overdraft rate from time to time published by the Standard Bank of South Africa Limited as being its minimum overdraft rate to its prime customers in the private sector, which interest shall be calculated monthly in advance from the date that such amount became due.

18.2 A certificate by any branch manager of the said bank as to such minimum overdraft rate from time to time shall be prima facie proof of such rate.

19 MORA INTEREST

19.1 In the event of there being any delay in connection with the registration of transfer for which the PURCHASER is responsible, the PURCHASER agrees in addition to any payment due in terms of this CONTRACT (and in particular, in terms of clause 5.3 of the CONDITIONS OF SALE plus any arrear and current Levies), to pay interest on the full purchase price at the prime overdraft rate charged by the Standard Bank of South Africa Limited from time to time calculated from the date the PURCHASER is notified in writing by the SELLER (or the SELLER'S agent) as being in mora, to the date upon which the PURCHASER has ceased to be in mora, both days inclusive.

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19.2 A certificate by any branch manager of the said bank as to such prime overdraft rate shall be prima facie proof of such rate.

20 ELECTRICAL CERTIFICATE

20.1 The SELLER shall at the SELLER'S own expense furnish a certificate of compliance from an accredited person in respect of all electrical installations on the UNIT in accordance with the requirements of the Electrical Installation Regulations made under the Machinery and Occupational Safety Act No. 6 of 1983. Such certificate shall be delivered to the PURCHASER no later than the DATE OF TRANSFER.

20.2 If the accredited person reports that he is unable to issue such certificate of compliance unless certain works are undertaken to the electrical installation, the SELLER shall have the work done so that the certificate can be furnished timeously.

21 TRUSTEE FOR A COMPANY OR CLOSE CORPORATION TO BE FORMED

21.1 In the event of the PURCHASER having concluded this CONTRACT in his capacity as a Trustee for a company or close corporation to be formed then:

21.1.1 the PURCHASER by his signature hereto warrants that the said company or close corporation will be formed, will ratify and adopt the terms and conditions of the SCHEDULE; and will provide the SELLER with written proof thereof, all within a period of 30 (THIRTY) days from the date of signature of this SCHEDULE by the PURCHASER;

21.1.2 the PURCHASER, in his personal capacity hereby under renunciation of the benefits of excussion and division with the full meaning and effect of which he declares himself to be fully acquainted, binds himself and agrees to bind himself as surety and co-principal debtor in solidum with the company or close corporation to be formed by him in favour of the SELLER for the due and punctual performance of such company's or close corporation's obligations to the SELLER in terms of this SCHEDULE;

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21.2 if the terms and conditions of the above Clauses are not fulfilled then the PURCHASER will by his signature to this SCHEDULE be deemed ipso facto to have concluded the SCHEDULE in his personal capacity as PURCHASER;

22. **MANAGING AGENT**

The PURCHASER agrees to appoint the managing agent, referred to in paragraph 1.12 of the CONDITIONS OF SALE, as the managing agent for the SCHEME, as provided for in Section 46 of the Management Rules, set out in Annexure 8 of the ACT. The PURCHASER hereby irrevocably nominates, constitutes and appoints the SELLER to attend any meeting of the Body Corporate of the SCHEME, called for the purposes of appointing a managing agent, on the PURCHASER'S behalf, and to vote in favour of appointing the Managing Agent.

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