

OFFER TO PURCHASE

MADE AND ENTERED INTO BY AND BETWEEN:-

FRANTIC INVESTMENTS (PTY) LTD
REGISTRATION NUMBER: 1995/012580/07

The Seller is hereby represented by Absa Bank Limited in terms of a Power of Attorney

AND

Registration Number/Identity Number: _____
(hereinafter referred to as the “Purchaser”)

RECORDAL:-

1. The Seller is the owner of the property described hereunder.
2. The Seller intends to sell the property.
3. The Purchaser hereby offer to purchase the property on the terms and conditions hereof.
4. On acceptance hereof by the Seller, the Seller sells to the Purchaser who hereby purchases the immovable property from the date of registration of transfer
5. hereunder and for a purchase price hereunder, and further subject to the terms and conditions as set out herein.

DEFINITIONS:

In this agreement unless the context otherwise indicates –

“**Seller**” means Frantic Investments (Pty) Ltd
Registration/Identity No: 1995/012580/07

Address: Over Portion 8
Erf 138 East Lynne
Pretoria

E-mail: jiri@citiguards.co.za
Tel: 082 802 3988
Fax: _____
Vat Number: _____

The Seller is represented by: Absa Bank Limited in terms of a Power of Attorney

(which shall remain the Seller's address until notice in writing is received by Purchaser to the contrary)

"Purchaser" means _____

Registration/Identity No: _____

Address: _____

E-mail: _____

Tel: _____

Fax: _____

Vat Number: _____

(which shall remain the Purchaser's address until notice in writing is received by Seller to the contrary)

"Conveyancers" means the Sellers Conveyancers, namely

"Agent" means the Estate Agent / or Auctioneer (as applicable), namely **GoIndustry DoveBid Africa (Pty) Ltd.**

"Commission" means 5% (or such higher amount agreed upon) of the purchase price plus VAT (if applicable) calculated on the purchase price, excluding VAT and payable against transfer of the property.

Initial

- "Trust Account"** means the trust account of the Conveyancer's with the following details:
Account Name: _____
Bank: _____
Branch Code: _____
Reference: _____
- "Deeds Registries Act"** means the Deeds Registries Act, No. 47 of 1937, or any amendment to or substitution thereof;
- "Deeds Registry"** means a deeds registry as defined in the Deeds Registries Act;
- "Effective Date"** means the date of transfer;
- "The Property"** **DESCRIPTION: PTN 8 OF ERF 138 EAST LYNNE CITY OF TSHWANE METROPOLITAN MUNICIPALITY GAUTENG**
TITLE DEED NO: T14613/1988
IN EXTENT: 1028m²
- "The Bondholder"** ABSA Bank;
- "Suspensive Conditions"** means the suspensive conditions stipulated hereinafter as "suspensive conditions";
- "Special Conditions"** means the special conditions stipulated hereinafter as "special conditions";
- "Purchase Price"** means the amount of R_____ plus VAT or transfer duty, as applicable.
- "Deposit"** means the amount of R_____ and payable in terms of Clause 1.1 hereinafter, and if no amount is stipulated herein, no deposit is payable.

an expression which denotes any gender includes the other gender, a natural person includes a juristic person and vice versa, the singular includes the plural and vice versa.

1. PAYMENT OF THE PURCHASE PRICE

The purchase price is stipulated above and is payable as follows:

- 1.1 A deposit will be paid within 7 (Seven) days after date of acceptance of this agreement into the trust account of the Seller's conveyancers, to be invested in an interest bearing trust account in terms of the provisions of Section 78(2)(A) of the Attorneys Act. The interest to be earned on the investment shall be for the Purchaser's benefit until date of transfer. If no amount is stipulated as a deposit, the balance is regarded as the full purchase price;
- 1.2 The balance of the purchase price plus VAT (as applicable) is to be paid on transfer, such payment to be secured by the provision of a bank guarantee that is acceptable to the Seller within 30 days after date of acceptance of this agreement, or if this agreement is subject to suspensive conditions, within 14 (fourteen) days after the fulfillment of the last suspensive condition.

2. COSTS OF TRANSFER

The Purchaser shall be liable for all costs of transfer to register the property into the Purchaser's name, which includes transfer duty (or VAT, if applicable), attorney conveyancing costs, bond registration fees, deeds office fees and related costs or expenses to be paid by the Purchaser in terms of this agreement, payable prior to transfer and within 7 (seven) days after demand by the conveyancers.

3. TRANSFER DUTY / VAT

- 3.1 VAT or transfer duty, as applicable, shall be paid in addition to the purchase price;
- 3.2 If the property is sold as an incoming generating going concern at a nil VAT rating, the parties declare and agree as follows:

- 3.2.1 The Seller warrants that it is a VAT vendor as at the Signature Date and will be a vendor as a the Effective Date, being the time of supply, as contemplated in the Act;
- 3.2.2 The Purchaser warrants that it will be a VAT vendor as at the Effective Date, being the time of supply, as contemplated in the Act and undertakes to furnish the Seller's conveyancers with a copy of its registration certificate for value-added tax purposes;
- 3.2.3 The Seller and the Purchaser have agreed that the Purchase Price of the Enterprise is inclusive of value-added tax at the rate of zero per cent;
- 3.2.4 The Property is sold as an income generating running concern ;
- 3.2.5 It is recorded that the concern will on the Signature Date, the Effective date and on the Registration date be an income generating enterprise and will be transferred as such inclusive of all improvements on the property;
- 3.3 If the South African Revenue Services rules that this transaction does not qualify for a zero rating, the Purchaser will be responsible for the payment of the VAT on the purchase price. It shall be paid in addition to the purchase price and be paid by the Purchaser to the Sellers Attorneys as and when requested. A VAT invoice shall be issued within 7 (seven) days after date of registration of transfer.

4. **OCCUPATION**

- 4.1 Possession of the PROPERTY will be given to the PURCHASER and the PURCHASER shall be obliged to take possession thereof, on DATE OF ACCEPTANCE from which date the PURCHASER shall be liable for interest on the balance of the purchase price, all municipal rates, taxes, consumption charges, insurance premiums and/or fees and levies payable on the PROPERTY, and from which date the PROPERTY shall be the sole risk, profit or loss of the PURCHASER. Should the SELLER have made any payment of such a nature for a period after the date of possession, he shall be entitled to a refund thereof pro rata to the period of prepayment.

- 4.2 The PURCHASER shall not be entitled to make any alterations or additions to the PROPERTY before the date of registration of transfer. The PURCHASER shall be obliged, in the event of the cancellation or lapse of this agreement, to forthwith vacate the PROPERTY and restore it to the SELLER in the same condition as when the PURCHASER took possession. The PURCHASER will have no claims whatsoever against the SELLER arising out of any alterations or additions made to the PROPERTY by the PURCHASER and waive any retentions or liens of whatsoever nature in respect hereof.
- 4.3 If the PROPERTY is leased, this Agreement is entered into and subject to the rights of the tenant under any existing Lease Agreement, statutory provisions or the Common Law.
- 4.4 The PURCHASER agrees that the SELLER does not make any warranties or representations, whether express or implied, regarding vacant occupation and possession. The property is hereby sold free of any leases which arose subsequent to any bonds be registered over the property or any claims preferent to the lease.
- 4.5 From date of occupation until date of delivery of guarantees, the PURCHASER shall not be entitled to cultivate, plough, reap, harvest, improve, change or materially effect any changes without the SELLERS written consent.

5. **VOETSTOOTS**

- 5.1 The Purchaser has inspected the property and is fully acquainted with the condition of the same and is satisfied with the suitability of the property for Purchaser's purposes;
- 5.2 The property is sold Voetstoots, as it is, and subject to all latent and patent defects. Purchaser acknowledges that he/she has inspected the property and is fully acquainted with the condition of same and the conditions of title applicable.
- 5.3 No guarantee whatsoever was given to Purchaser relating to the property or improvements thereon and where upon a re-survey the area of the property is

found not to correspond with that set out in the title deed or in this agreement, neither Seller nor Purchaser, the one to the other, shall be liable in any way whatsoever.

- 5.4 Seller shall not be liable for any deficit nor be entitled to claim compensation for any surplus. This in no way allows Seller to remove or damage any fixture or improvement, from any portion of the property.

6. **SERVITUDES, CONDITIONS AND WARRANTIES**

- 6.1 The Purchaser further acknowledges that except as recorded in this contract, no guarantee or warranty, express or implied, whatsoever, was given to the Purchaser by the Seller or the Bondholder and that no representations relating to the property or improvements, express or implied, were made to Purchaser by the Seller or the Bondholder to persuade Purchaser to enter into this agreement;
- 6.2 No warranty or guarantee, express or implied, is provided by the Seller or Bondholder in terms of compliance with any rules and regulations relating to the electricity supply and electricity connection;
- 6.3 The sale shall be subject to all conditions and servitudes contained in or referred to in the Title Deed and to all limitations of use laid down by a statutory authority.
- 6.4 Purchaser shall comply at Purchaser's own cost with all acts, ordinances, regulations, zonings, law and by-laws and other enactments which may apply to the property or may hereinafter be made applicable, strictly and punctually.
- 6.5 Purchaser acknowledges that he/she is fully acquainted with all the servitudes and conditions applicable or possibly applicable to the property and Purchaser shall be obliged to comply with such servitudes and conditions punctually;
- 6.6 The property will be maintained and kept in its current condition in all respects.

7. **BEACONS**

Seller is not obliged to indicate the boundaries or the beacons of the property. The Seller confirms that to the best of his knowledge all beacons are correctly positioned

and the border of the property is fenced correctly. The Purchaser will be entitled to satisfy himself as to the correctness of the extent of the property.

8. **INDULGENCE**

No indulgence which the Seller, or anyone acting on the Seller's behalf, may show the Purchaser and more particularly no leniency or extension of time granted by the Seller or anyone on the Seller's behalf, whether express or implied, for payment by the Purchaser of any amount under this agreement or for the performance by him of any other obligation in terms of this Agreement, shall in any way prejudice the Seller's rights under this agreement or be construed as a novation or waiver of the Seller's rights unless explicitly agreed to in writing. Any such indulgence, leniency or extension of time shall be without prejudice to Seller's rights.

9. **DOCUMENTS**

9.1 Purchaser shall sign and/or ensure the signature of all the documents required by Seller's attorneys to effect the registration of transfer and/or execution of this contract on demand by Seller's attorneys. The Seller undertakes to act promptly in matters relating to Transfer and registration;

9.2 Purchaser shall, furthermore, on demand by the attorneys instructed to register any simultaneous transactions, sign and/or ensure the signature of all documents required by those attorneys to register such transactions and also provide those attorneys with all documents, information and funds they may need for the aforementioned purposes;

9.3 The Conveyancers shall only proceed with the transfer after the Purchaser has complied, to Seller's satisfaction, with his/her obligations fully in terms of this agreement;

9.4 The costs of this agreement and of transfer will be for the account of the Purchaser.

10. REPRESENTATIONS

None of the parties hereto, nor any one seemingly acting on behalf of one of the parties, save insofar as herein contained, made any prior statements or representations, or gave any guarantees or warranties, either verbally or in writing, or said or suggested anything, or failed to speak, which influenced or induced the other party to enter into this Agreement, and that this Agreement was entered into by parties out of their own free will after having satisfied themselves fully of the implications of this Agreement and of any circumstances or matters that may be relevant.

11. BREACH OF CONTRACT

Where Purchaser refuses and/or fails to comply punctually with any of the terms and conditions of this agreement, Seller shall be entitled to give written notice by registered post to Purchaser to rectify the breach of contract and should Purchaser remain in default after 10 (ten) days have lapsed from the date of sending the said notice, Seller shall be entitled but not obliged, to:

11.1 Cancel this agreement;

11.2 Claim compensation from Purchaser for damages suffered by Seller as a result of Purchaser's breach of contract in the event of cancellation;

11.3 Alternatively enforce specific performance by Purchaser, in which case the full balance of the purchase price, interest and all other monies owing to Seller by Purchaser in terms of this agreement shall, against registration of transfer, become due and payable.

12. AGENT'S COMMISSION

12.1 Commission calculated at 5% (five percentum)(plus VAT) of the gross purchase price of the property (excluding VAT), will be due and payable by the PURCHASER to the AGENT on confirmation of the sale. The amount shall be paid on the date of the auction and shall be due and payable and paid to the AGENT on confirmation of the sale. The commission agreement

constitutes a separate enforceable agreement between the AGENT and the PURCHASER with no recourse against the SELLER.

13. **PURCHASER'S RIGHTS AND OBLIGATIONS PRIOR TO TRANSFER**

Until transfer of the property is registered in Purchaser's name, and in the event that Purchaser obtains possession before transfer:

13.1 Purchaser shall not be entitled to make any structural alterations or additions or improvements on the property and equipment or erect improvements on the property without obtaining the written permission of Seller in advance;

13.2 Purchaser shall maintain the property in the same condition it was received in;

13.3 Purchaser shall not be entitled to re-imbusement of any funds spent on the property prior to transfer and no compensation for any disbursements of funds. The Purchaser shall also have no right of retention or lien on the property whatsoever;

14. **AMENDMENTS**

This document contains the whole agreement between the parties and no variation, alteration, modification, adjustment or suspension of any of the terms of this agreement or any consensual cancellation thereof shall be of any force and effect unless reduced to writing and signed by the Seller and the Purchaser or their duly authorised representatives.

15. **NOTICES AND DOMICILIA**

All notices to be given in terms of this agreement shall be in writing and delivered by hand or by pre-paid registered post at the addresses of the parties that appear in the heading of this agreement respectively which will also be the addresses chosen by each party as his/her respective domicilium citandi et executandi. It will remain the address of each party respectively until receipt by one party of a notice from the other party changing the other party's address.

15.1 Each notice sent to the domicilium citandi et executandi is duly received or deemed to be received :

15.1.1 On the day of delivery where the notice is delivered by hand;

15.1.2 SEVEN (7) days after the notice has been sent by pre-paid registered post or courier to such address;

15.1.3 The parties will be entitled to give the notice in any other way provided the onus of proof that the other party did receive the notice will be on the party who gives the notice.

16. **"ROUWKOOP"**

The Purchaser irrevocably agrees that in the event of this transaction being cancelled for any reason whatsoever due to any default by the purchaser, any deposit paid by the Purchaser shall be considered as "*rouwkoop*" and against cancellation of the agreement, due to the non-compliance of the Purchaser of the Purchaser's obligations, the amount shall be forfeited as "*rouwkoop*" and the transferring attorneys shall be entitled to make payment of the deposit amount in its trust account directly to the Seller as *rouwkoop*, in addition to any other amounts payable to the seller or claims against the Purchaser.

17. **ESKOM POWER (IF APPLICABLE)**

17.1 The Seller undertakes to obtain final Eskom electricity readings and make payment of all outstanding electricity due to Eskom as of date of transfer of the relevant property. The Purchaser shall be entitled to transfer the electricity account to the Purchaser's benefit only after transfer of the property has been registered in the Deeds Office in the name of the Purchaser;

17.2 Unless specifically guaranteed separately in this sale agreement, the Seller does not warrant the supply of electricity by Eskom and/or the registration of any water rights in respect of the property;

18. **RATES AND TAXES**

18.1 The Seller shall be obliged to make payment of all rates and taxes and any statutory levies payable in respect of the property and shall for the account of the Seller supply a clearance certificate to effect registration of transfer into the name of the Purchaser;

18.2 Each party shall on demand furnish or ensure the furnishing of all documents, records and verifications required by anyone in regard to the Financial Intelligence Centre Act No. 38 of 2001 relating to this contract the parties or the execution thereof;

19. **ELECTRICAL CERTIFICATE**

The Purchaser shall, at its own costs obtain a valid electrical certificate of compliance as envisaged by the Occupational Health and Safety Act No. 85 of 1993 and Government Regulation 2920 of 1992 and Seller shall be liable for whatever expenses or costs which may be involved in obtaining same including reparation costs to be effected in respect of the installation. Seller shall deliver the said certificate of compliance to the Seller's conveyancers on or before the date of occupation by the Purchaser and/or on date of transfer, whichever occurs first. The Seller and the Purchaser warrants that they will not make any alterations to the electrical installation after the issue of the certificate of compliance.

20. **GAS INSTALLATION - CERTIFICATE OF CONFORMITY**

In the event of there being a gas installation in the property the Seller shall at its cost be obliged to obtain a Certificate of Conformity in respect of such an installation as is required by Section 17(3) of Government Notice R734 of 15 July 2009 stipulated in The Government Gazette 32395. The Seller and its Agents shall have reasonable access to the property prior to the Transfer Date for the purposes of obtaining such Certificate and for carrying out such repairs as may be necessary. Should any repairs be necessary they will be for the cost and account of the Seller.

21. SECURITY OF TENURE

Purchaser acknowledges that it is acquainted with the provisions of the Extension of Security of Tenure Act No.62 of 1997 and the factual position regarding the occupants of the property. The Purchaser also acknowledges that it is aware that the provisions of the said Act are binding on the Purchaser as successor in title of the Seller and the property is sold subject to the said provisions and any alleged occupancy rights.

22. RESTITUTION OF LAND RIGHTS

22.1 The property is sold subject to the provisions of the Restitution of Land Rights Act No. 22 of 1994.

22.2 The sale is subject to any land claim registered in terms of the Restitution of Land Rights Act 1998 on the relevant property. In the event that a claim has been noted against the property by the Land Claims Commissioner, the Seller shall give 30 (thirty) days' notice to the Land Claims Commissioner in respect of this sale agreement;

22.3 The Seller does not warrant or guarantee that there is no land claim against the property and the Purchaser purchases the property subject to any land claims being instituted or to be instituted in terms of the restitution of Land Rights Act 1998;

23. APPLICABLE LEGISLATION

The property is sold subject to the right of any:

23.1 Labourer who has the right of cultivating or grazing or the right to occupy and to use, in terms of the provisions of the Land Reform (Labour Tenants) Act, 3 of 1996;

23.2 any existing informal rights in respect of business, occupation, habitation, residence, permission for occupation, use or entry to the property or occupied the property already before 31 December 1992 (i.e. more than 5 (Five) years, in terms of the Interim Protection of Informal Land Rights Act, 31 of 1996;

23.3 Any rights of occupants of the property, including elderly persons, children, handicapped persons and households of which a woman is the head in terms of the Prevention of Illegal Eviction from Unlawful Occupation of Land Act, 19 of 1998;

23.4 Any occupancy rights in terms of the Extension of Security of Tenure Act No. 62 of 1997.

24. WATER RIGHTS (IF ANY)

The sale of the property includes any registered and/or unregistered water rights attached to the property (if applicable). The Seller shall be obliged to make payment of all arrear levies in respect of water rights imposed by the authorities until date of transfer. The Purchaser shall be obliged at its own costs, to obtain transfer of the water rights and/or registration thereof. Registration of the water rights and/or transfer thereof shall only be effected after the transfer of the immovable property into the name of the Purchaser;

25. SPECIAL CONDITIONS

The agreement is subject to the following special conditions:

25.1 _____

25.2 _____

25.3 _____

25.4 _____

25.5 _____

26. SUSPENSIVE CONDITIONS

The agreement is subject to the following suspensive conditions. If the conditions are not fulfilled within the stipulated time period, or any extension thereof in writing prior to the lapsing date, the agreement shall lapse and be of no force and effect and all parties be entitled to restitution.

26.1 _____

- 26.2 _____
- 26.3 _____
- 26.4 _____
- 26.5 _____

Thus done, signed and accepted at _____ on this _____ day of _____ 201_.

As Witnesses:

1. _____

2. _____

SELLER (duly authorised or Absa Bank Limited in terms of a Power of Attorney) or the Seller's Liquidators or Trustee

Thus done, signed and accepted at _____ on this _____ day of _____ 201_.

As Witnesses:

1. _____

2. _____

PURCHASER

Initial