



**ISANDHLWANA
INVESTMENTS**

**LOAN AGREEMENT
(Stone Investment)**

Entered into between:

Identification/Registration Number: _____

(hereinafter referred to as "the Lender")

and

ISANDHLWANA INVESTMENTS CC
Registration Number: CK2001/000378/23

(hereinafter referred to as "the Borrower")

(hereinafter collectively referred to as "the Parties")

NOW THEREFORE IT IS AGREED AS FOLLOWS:

1. DEFINITIONS

1.1. In this agreement, unless inconsistent with or otherwise indicated by the context, the following terms will have the meanings assigned to them in this clause:

1.1.1. "Borrower's Address and Fax Number" means 10 Dawn Crescent, De Wijnlanden Estate, Stellenbosch, 7600 and 0866482529 respectively

1.1.2. "Completion Date" means the date by which all of the Units comprising the Development have been sold and transferred into the names of the purchasers of the Units.

1.1.3. "Development" means the commercial property development which is to be undertaken by Isandhlwana on the Property which development shall be comprised of Units.

1.1.4. "Development Bonus" means the Development Bonus in terms of clause 3.5 below.

1.1.5. "Effective Date" means _____ 2007.

1.1.6. "Lender's Address and Fax Number" means _____

1.1.7. "Loan Capital" means the amount of R _____
(_____ Rand).

1.1.8. "Property" means the property situated at Erf: _____

1.1.9. "Repayment Date" means following:

1.1.9.1. the date by which all the Units in respect of the Development have been Sold Off Plan and the Borrower has received the proceeds of the sales of all of the Units, or

1.1.9.2. in the event of 50% (fifty percent) of the Units not being Sold Off Plan within 12 (twelve) months of the Transfer Date the date 7 (seven) days after the date on which the proceeds of the sale of the Property by Isandhlwana to a third party are received by Isandhlwana.

1.1.10. "Signature Date" means the date by which all parties hereto have signed this agreement.

1.1.11. "Sold Off Plan" means in respect to Units, sales which are concluded prior to the commencement of the construction of the Units.

1.1.12. "Transfer Date" means the date on which the Property is registered in the name of Isandhlwana.

1.1.13. "Units" means either freestanding units or sectional title units.

2. INTERPRETATIONS

- 2.1. No relaxation by a party of any of its rights in terms of this agreement at any time shall prejudice or be deemed to be a waiver of its rights, unless it is a written waiver, and the waiver shall relate only to the specific instance in question and for the purpose given.
- 2.2. The clause headings in this agreement have been inserted for convenience only and will not be taken into consideration in its interpretation.
- 2.3. This agreement constitutes the whole agreement between the parties with regard to the subject matter hereof and supersedes all prior verbal or written agreements or understandings or representations by or between the parties regarding the subject matter of this agreement, and the parties will not be entitled to rely, in any dispute regarding this agreement, on any terms, conditions or representations not expressly contained in this agreement.
- 2.4. The validity, application and interpretation of this agreement will be governed by the laws of the Republic of South Africa.
- 2.5. Any reference to the singular includes the plural and vice versa.
- 2.6. Each and every clause and sub-clause in this agreement shall be severable from the other clauses in this agreement and in the event of any clause or sub-clause being held invalid by any competent court for any reason same shall not affect the validity of the remaining clauses or sub-clauses.
- 2.7. If any provision in clause 1 and 2 is a substantive provision conferring rights or imposing obligations on any party, then notwithstanding that such provision is contained in clause 1 and 2, effect shall be given thereto as if such provision were a substantive provision in the body of the agreement.
- 2.8. The terms of this agreement have been negotiated and accordingly, the *contra proferentem* rule shall not be applicable.

3. LOAN

- 3.1. The Lender hereby lends to Isandhlwana, who hereby borrows, the Loan Capital.
- 3.2. The Loan Capital shall be paid into the Grant Gunston Attorney Trust Account on the Effective Date.
- 3.3. Interest at a rate of 9% (nine percent) per annum, compounded monthly, (hereinafter referred to as the "Guaranteed Investment Return") shall accrue to the Loan Capital from the Effective Date to the Repayment Date.

- 3.4. Should the Development be completed, then on the Completion Date a Development Bonus shall accrue to the Loan Capital which shall be repaid to the Lender within 7 (seven) days of the Completion Date.
- 3.5. The Development Bonus shall be an amount equal to the interest on the Loan Capital at a rate of 16% (sixteen percent)
- 3.6. The Loan Capital as well as the Guaranteed Investment Return shall be paid to the Lender on the Repayment Date.
- 3.7. The Borrower shall be under no obligation to pay the Development Bonus to the Lender in the event that the Development is not completed. In this regard the Development shall be completed when all of the Units comprising the Development have been sold and transferred into the name of the purchasers of the Units.
- 3.8. Should the Lender request the Borrower to repay the Loan Capital prior to the Repayment Date:
 - 3.8.1. Written notice of a request by the Borrower in terms of clause 3.9 above (hereinafter referred to as "the Request Notice") must be delivered to the Lender.
 - 3.8.2. The Lender shall be entitled to comply with the request of the Lender for a period of 30 (thirty) days after receiving the Request Notice.
 - 3.8.3. The Borrower shall be under no obligation to repay the Loan Capital prior to the Repayment Date.
 - 3.8.4. Should the Borrower, however, comply with the request of the Lender to repay the Loan Capital, the Lender shall forfeit the Guaranteed Investment Return and the Development Bonus and the Borrower shall not be obliged to pay the Guaranteed Investment Return and the Development bonus to the Lender.

4. DOMICILIUM

- 4.1. The parties choose the following addresses and fax numbers as their respective address for the delivery of any document in connection with this agreement (hereinafter referred to as "service address"):
 - 4.1.1. The Lender at the Lender's Address and Fax Number.
 - 4.1.2. The Borrower at the Borrower's Address and Fax Number.
- 4.2. Either party may change their service address by delivery of a written notice to that effect to the service address of the other parties. The change will be effective from the date of delivery.
- 4.3. Any notice to be given by either party to the other party in terms of this agreement will be given by fax, by pre-paid registered post or will be delivered by hand.
- 4.4. Any notice sent by fax will be deemed to have been received by the addressee, in the absence of proof to the contrary, on the date of sending (if sent before 17h00). If the fax was sent after 17h00 the notice will be deemed to have been received the next business day.

4.5. Any notice delivered by hand during normal business hours will be deemed to have been received by the addressee, in the absence of proof to the contrary, at the time of delivery.

4.6. Notices given by prepaid registered post will be deemed to be delivered four Business Days after the date of posting.

4.7. The Parties hereby consent to the jurisdiction of the Magistrates Court in respect of any action which may arise by virtue of the terms of this Agreement where such Magistrates Court has jurisdiction over the Defendant by virtue of the Defendant's geographic location.

5. COSTS

5.1. Each party shall be liable for the costs of their respective legal and other advisors in relation to this agreement.

DATED at _____ this the _____ day of _____ 20

AS WITNESSES:

1. _____
_____ For and on behalf of the Lender who warrants that he is duly authorised to sign on behalf of the Lender.

2. _____

DATED at _____ this the _____ day of _____ 20

AS WITNESSES:

1. _____
_____ For and on behalf of Isandhlwana who warrants that he is duly authorised to sign on behalf of Isandhlwana.

2. _____