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□ Retired Person's Act □

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1. HOUSING DEVELOPMENT SCHEME FOR RETIRED PERSONS ACT (65/1988)

The unimproved erf hereby sold forms part of the a Group Housing Scheme that is a "Housing Development Scheme" in terms of Act 65 of 1988 the following information, is required to be included in the deed of sale, in terms of section 4 of that Act,:

- 1.1 The legal basis for the housing interest hereby sold will be individual title registered in the Deeds Office Cape Town in the name of the Purchaser and is of a perpetual nature and there are no other limitations thereto other than those set out herein or imposed by above mentioned Act. The Property is at present unregistrable as such until the general plan of subdivision of the mother erf, being Erf 16233 Panorama, Parow in the City of Cape Town, Cape Division, has been duly approved by the Surveyor General in accordance with the site layout plan (annexure "A" to main agreement).
- 1.2 The property sold will be transferred to the Purchaser free of any bonds unless a new bond is being registered by the Purchaser to finance this purchase or the erection of any work thereon, and the Seller undertake not to mortgage the property.
- 1.3 The rules of the scheme as laid down by the Developer (Seller) are those management and conduct rules contained in the regulations issued in terms of the above mentioned act and are therefore easily obtainable but will also be available for inspection at the address of the Developer during normal work days between 10h00 and 14h00.

A Home Owners Association will be established in terms of Section 29 of Ordinance 15 of 1985 of which all owners in the scheme, (including owners of sectional title units in further phases of the scheme), will have to become members, to promote, regulate and advance communal interests of all owners and occupants in a spirit of a retirement village.

- 1.4 The purchaser acknowledges that this agreement is in the official language of his or her choice.
- 1.5 The Purchaser's obligation relating to the insurance of the fixed assets are to ensure that his unit is duly insured for the replacement value thereof and pay his annual or monthly premiums and not to act contrary to the terms of the insurance policy taken out. The purchaser must also arrange for the insurance of the contents of his unit. No provision for insurance will be made by the Home Owners Association other than for services and structures upon land owned by the Association.
- 1.6 No amount in terms of any law is payable in respect of the land as an endowment, betterment or enhancement levy, but a external services contribution or similar imposition is payable to the local authority by the Developer prior to transfer.
- 1.7 The Seller is not the owner of the property in question but has tendered thereon and is expected to be the preferred tenderer. Should this tender not be awarded to the Seller this addendum together with the main agreement will become null and void.
- 1.8 The attached estimate, for a period of three years in advance from the date of the opening of the first register (Annexure "A3"), is an indication of all expected expenditure for the control, management and administration of the scheme as well as all services and facilities for which the Home Owner's Association will accept liability and besides such monthly levies payable by the Purchaser, he will not be liable to pay any other expenses to the Home Owners Association or any one else with regard to the scheme. Normal rates taxes and services would be payable by the Purchaser to the local authority on an annual or monthly basis.
- 1.9 The basis upon which the levy, that is payable by the purchaser, is to be calculated, is in accordance with the pro rata share according to the number of erven in the development and an estimate for a period of two years in advance of the amount of the levy is given in annexure "A4".
- 1.10 Should the Seller fail to issue a certificate of completion for occupation of the unit by the latest date that such unit should have been completed, the Purchaser may either cancel the agreement or may abide thereby in which latter event, no interest shall be payable by him until such certificate has been issued.

1.11 The seller hereby draws the attention of the purchaser to his/her rights and remedies in terms of the Housing Development Scheme for Retired Persons Act 65/1988:

Section 4(3) Should a Seller fail to deliver a certificate, as is contemplated in section 6, by the date mentioned therein, the Purchaser will have the right to either cancel the agreement or to hold the Seller bound thereto with the benefit that the Seller will have to forfeit contractual interest.

Section 8 The purchaser may in the instance of the possible voidness or cancellation of this agreement, if he has already performed, have the right to claim certain additional interests and expenses as well as the cost of improvements from the seller over and above the right to recover amounts already paid.

Section 9 If a contract does not substantially comply with the formalities required by sections 3 and 4(1) of act 65 of 1988 and the Purchaser can prove that he suffered damages, a Magistrates Court may, if the appropriate action is instituted by the Purchaser within three years from the date of the sale, render certain legal remedies such as a lowering of the interest rate, the rectification of the agreement or other alternative legal remedies.

(The purchaser should for his own benefit ascertain the full text of the above sections)

1.12 The seller undertakes to alienate 100% of the unsold erven for occupation by persons 50 years or older as are more fully described in section 7 of the Act.

1.13 The management structure of the Home Owners Association will be in accordance with the provisions of the terms of the constitution thereof.

2. COMMUNITY CENTRE AND SICK BAY

2.1 The Developer undertakes to erect and establish or have erected and established as a separate property under sectional title, earmarked for that purpose, a facility, that will **not** form part of the Group Housing Scheme nor of the common property of the future sectional title development, within the area under jurisdiction of the Home Owners Association, to be utilised by all residents of the Group Housing Scheme and sectional title units as well as members of the public, to which facility nor the Purchaser nor any other owner within the Scheme will have any proprietary rights. Such facility will be provided with a kitchen, a dining hall, a lounge as well as a number of general purpose or utility facilities that may be utilised as the Owner or Operator may direct in their administration of the facility. **The cost of all meals, drinks etc. from the kitchen or bar will be for the account of each individual utilizing the service and will not be included in the levies.**

2.2 It is intended that a portion of the facility be so equipped, that it may be utilised as a sick bay, either wholly or partially as a frail-care facility, in which event such facility, or such portion thereof, will be registrable in terms of section 3 of the aged persons act (81 of 1967) as the structure of the building will comply with the requirements laid down in the regulations issued under that act. The total facility will consist of no less than 22 beds and its rooms will all comply, in size, with the requirements for registration, as set out above. The terms and conditions under which the purchaser or any occupant of his/her property may make use of these facilities or services will be arranged from time to time by the Owner or Operator of the Facility, who will determine the costs for utilizing the services as well as under what circumstances the purchaser or his spouse will be admitted to the facility and for what periods and for what illnesses they will cater for. None of these services are covered by the normal levies and users thereof will have to pay the prescribed tariffs for services rendered and materials used.

The facilities and services relating to the community centre and sick bay will be available by the completion of the final phase, for which no set date is presently set, but as an interim phase the developer will make premises available after phase 2 for the housing of a permanent nursing sister with temporary facilities until the sick bay has been completed.