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COPY

Prepared by me

Jordaan D
CONVEYANCER
JORDAAN D



CONTINUING COVERING MORTGAGE BOND
(HYPOTHECATING UNITS)

WE THE UNDERSIGNED:

PARAMOUNT PROPERTY FUND LIMITED

(Registration No. 1945/019928/06)

(hereinafter together with its order, successors in title
and assigns referred to as the "Mortgagor")

herein represented by **BARBARA KNEEN** acting under and by virtue of a power of attorney
dated at Rondebosch on the 24th day of January 2006

do hereby acknowledge the Mortgagor to be truly and lawfully in possession and control of the



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MICAWBER 409 (PROPRIETARY) LIMITED

(Registration No. 2005/000117/07)

(hereinafter together with its order, successors in title
and assigns referred to as the “Mortgagee”)

in the sum of R44 000 000,00 (Forty Four Million Rand) (the “**Capital Amount**”) and the additional sum of R8 800 000,00 (Eight Million Eight Hundred Thousand Rand) (the “**Additional Sum**”) of lawful money howsoever and from whatsoever cause arising and as continuing covering security for the total amount owing from time to time by the Mortgagor to the Mortgagee in respect of all amounts advanced by the Mortgagee to or on behalf of the Mortgagor or otherwise owing by the Mortgagor to the Mortgagee in terms of or arising out of the provisions of the annexure to this Bond or any other bonds in favour of the Mortgagee over the Property hereinafter mortgaged, the Mortgagor hereby binds as a **FIRST** Bond, subject to the conditions set out in the annexure to this Bond:

ONE

A unit consisting of:

- (a) Section No. 1 as shown and more fully described on Sectional Plan No. SS 295/2002 in the scheme known as MORNINGSIDE CLOSE in respect of the land and building or buildings situate at the Township of MORNINGSIDE EXTENSION 53 and at the Township of MORNINGSIDE MANOR, in the City of Johannesburg, of which section the floor area according to the said sectional plan is 1404 (One Thousand Four Hundred and Four) square metres in extent; and



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- (b) an undivided share in the common property in the scheme apportioned to the said section in accordance with the participation quota as endorsed on the said sectional plan;

HELD by Deed of Transfer No. ST 24091/2004

SUBJECT to the conditions contained therein.

TWO

A unit consisting of:

- (a) Section No. 2 as shown and more fully described on Sectional Plan No. SS 295/2002 in the scheme known as MORNINGSIDE CLOSE in respect of the land and building or buildings situate at the Township of MORNINGSIDE EXTENSION 53 and at the Township of MORNINGSIDE MANOR and in the City of Johannesburg, of which section the floor area according to the said sectional plan is 1 185 (One Thousand One Hundred and Eighty five) square metres in extent; and
- (b) an undivided share in the common property in the scheme apportioned to the said section in accordance with the participation quota as endorsed on the said sectional plan;

HELD by Deed of Transfer No. ST 24092/2004

THREE

A unit consisting of:



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B/C

- (a) Section No. 3 as shown and more fully described on Sectional Plan No. SS 270/2003 in the scheme known as MORNINGSIDE CLOSE in respect of the land and building or buildings situate at the Township of MORNINGSIDE EXTENSION 53 and at the Township of MORNINGSIDE MANOR, in the City of Johannesburg, of which section the floor area according to the said sectional plan is 1212 (One Thousand Two Hundred and Twelve) square metres in extent; and
- (b) an undivided share in the common property in the scheme apportioned to the said section in accordance with the participation quota as endorsed on the said sectional plan;

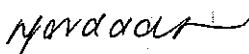
HELD by Deed of Transfer No. ST 24093/2004.

SUBJECT to the conditions contained therein

(collectively the "Property")

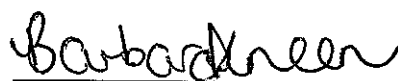
SIGNED at Johannesburg

on 14 February 2006



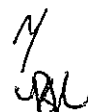
CONVEYANCER

DESERÉ JORDAAN



Mortgagor/or his duly authorised agent






Registered at Pretoria on

09 06 06

Seal of Office


Registrar of Deeds



**ANNEXURE OF CONDITIONS ATTACHING TO A SECTIONAL MORTGAGE
BOND IN FAVOUR OF MICAWBER 409 (PROPRIETARY) LIMITED**

1. **INDEBTEDNESS**

The Mortgagor is truly and lawfully indebted and held and firmly bound unto and in favour of the Mortgagee for the Capital Amount and the Additional Sum of lawful money howsoever and from whatsoever cause arising, including but not restricted to:

- 1.1 existing, future and contingent indebtedness arising from or in connection with a Counter Indemnity Agreement between the Mortgagor and the Mortgagee dated 12 July 2005 (the "Indemnity Agreement");
- 1.2 indebtedness incurred by the Mortgagor in the Mortgagor's own name, jointly in the names of the Mortgagor and any other person, or in the name of any firm in which the Mortgagor may be trading, either solely or in partnership with others or otherwise from whatsoever cause arising;
- 1.3 indebtedness arising from money lent or advanced, or to be lent or advanced, promissory notes or bills of exchange made, accepted or endorsed, money overdrawn on account, acts of guarantee, indemnity and suretyship executed by the Mortgagor or given by the Mortgagee on the Mortgagor's behalf, sums disbursed by the Mortgagee in respect of premiums of insurance, stand licences, rates and taxes, commission and charges and costs of recovery of any indebtedness, and generally from whatsoever cause arising;
- 1.4 finance charges or interest on all amounts secured by this Bond calculated in the manner and at the rate agreed upon between the Mortgagor and the Mortgagee or, failing such agreement, in the manner and at the rate usually required by the Mortgagee for the kind of transaction in question; and



- 1.5 costs (plus Value-Added Tax thereon) incurred by the Mortgagee in connection with this Bond.

2. **CONTINUING COVERING SECURITY**

This Bond is a continuing covering security (up to a maximum amount not exceeding the Capital Amount and the Additional Sum) in addition, and without prejudice, to any other security or preference now held or hereafter to be held by the Mortgagee in respect of or covering the indebtedness of the Mortgagor to the Mortgagee, for all and any sums of money which may now or in the future be owing to or claimable by the Mortgagee from any cause aforementioned and any other cause of whatsoever nature, and remains of full force and effect and will not terminate, nor will its terms be suspended, until cancelled in a Deeds Registry, notwithstanding any fluctuation in, or temporary extinction of the Mortgagor's indebtedness to the Mortgagee from time to time or that there may at any time be no indebtedness owing by the Mortgagor to the Mortgagee.

3. **PAYMENT**

The Mortgagor shall pay all amounts owing by it to the Mortgagee and which shall be secured under this Bond in accordance with the provisions of this Bond and/or such written agreement or agreements as have been concluded, or which may be concluded from time to time hereafter, between the Mortgagor and the Mortgagee.

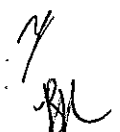
4. **CESSION OF RENTS AND OTHER REVENUES**

- 4.1 The Mortgagor hereby cedes *in securitatem debiti* to the Mortgagee by way of continuing security for the payment, discharge and performance of the Mortgagor's obligations under this Bond, all of the Mortgagor's rights, title and interest in and to all rents and other revenues which may accrue from the Property (the "Rentals") on the terms and conditions set out in this Bond, which cession *in*



securitatem debiti the Mortgagee hereby accepts upon the terms and subject to the conditions set out in this Bond.

- 4.2 It is the intention of the Mortgagor and the Mortgagee that this cession should operate as a security cession with effect from the date of registration of this Bond and not as an outright cession and, accordingly, that the Mortgagor shall retain bare ownership of the Rentals and that in the event of the insolvency of the Mortgagor such Rentals will form part of the Mortgagor's insolvent estate, subject to the rights of the Mortgagee as a secured creditor.
- 4.3 The Mortgagor shall, if third party consents are required to fulfil its obligations detailed in clause 4.1 above, use reasonable commercial endeavours to obtain such consents by, *inter alia*, not providing or permitting for a prohibition on cession clause in any agreements, policies or other documents entered into in respect of the Rentals.
- 4.4 In the event that the Mortgagor fails to take the actions contemplated by clause 4.3, the Mortgagee is hereby appointed as the Mortgagor's agent to procure that such actions are taken as contemplated by clause 4.3, provided that nothing in this clause 4.4 shall be construed as obliging the Mortgagee to take any such action and the taking of or election not to take action under this clause 4.4 shall in either case be without prejudice to the Mortgagee's rights under this Bond.
- 4.5 The cession in terms of this Bond operates in respect of all rights, powers and privileges attaching to the Rentals.
- 4.6 The Mortgagor acknowledges that it may not cede, assign, transfer or pledge or in any other manner encumber or deal with the Rentals without the prior written consent of the Mortgagee.



4.7 For so long as the Mortgagor is not in breach of its obligations under this Bond or under the Indemnity Agreement, the Mortgagor:

4.7.1 shall be entitled, at its own cost, to enforce and receive payment for, delivery of, and/or performance in respect of the Rentals, all of which Rentals shall be exercised in accordance with any limitations imposed in terms of the Indemnity Agreement;

4.7.2 shall enforce the Rentals in the ordinary course of business;


4.7.3 may appropriate amounts connected in respect of the Rentals to its own use. In such event, the rights in all cheques and other negotiable instruments received by the Mortgagor shall remain ceded to the Mortgagee until they have been paid to the Mortgagor.

4.8 Should the Mortgagor at any time decide to institute legal proceedings to enforce and receive payment for, delivery of, and/or performance in respect of the rents, then the Mortgagor shall notify the Mortgagee accordingly in writing. Where the quantum of the claim under such legal proceedings at the commencement of such legal proceedings;

4.8.1 exceeds R1 000 000,00 (One Million Rand), the Mortgagee shall elect, in writing, whether:

4.8.1.1 to institute legal proceedings in the Mortgagee's name in its capacity as secured cessionary; or

4.8.1.2 to authorise the Mortgagor, subject to any conditions which the Mortgagee deems appropriate, to institute legal proceedings in the Mortgagor's name, in which event the relevant claim in respect of the rents shall be deemed to have been re-ceded to the Mortgagor to the



than 5 (five) Business Days (but not exceeding 10 (ten) Business Days) as the Mortgagee may deem fit; and/or

4.9.5 institute any legal proceedings which the Mortgagee may deem necessary in connection with any sale, purchase or other transfer of any Rental by the Mortgagee or its nominee; and/or

4.9.6 grant any extension or other indulgence in respect of any Rental, or agree to vary the terms of any such Rental, or realise any security or suretyship held for any such Rental.

4.10 On the Mortgagee being entitled to and taking any action in terms of clause 4.9 (save for any action taken in terms of clause 4.9.6), the Mortgagor shall on demand by the Mortgagee:

4.10.1 notify in writing all persons (including, without limitation, any tenants) required by the Mortgagee in writing that payment for, delivery of or performance in respect of the relevant Rentals must be made to the Mortgagee and that payment, delivery or performance to the Mortgagor or to anyone else will not constitute valid payment, delivery or performance, and that the Mortgagee shall be entitled to do likewise. The Mortgagor shall on demand by the Mortgagee provide proof that such notification has been given;

4.10.2 refuse to accept any payment, delivery or performance tendered in respect of any of the Rentals and order that such payments, delivery or performance be tendered to the Mortgagee;

4.10.3 without charge, permit the Mortgagee or anyone nominated by the Mortgagee to have access to and to work at the Mortgagor's premises and to

use the Mortgagor's facilities and personnel for the purposes of enforcing its right under this Bond;

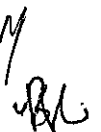
- 4.10.4 at its own cost, carry out any directions the Mortgagee may give in regard to the realisation of the Rentals and sign any document or do any other act necessary to vest the Rentals in the Mortgagee or otherwise necessary to perfect the cession.
- 4.11 It is hereby agreed that the Mortgagee shall be entitled to charge a commission of 3,5% (three comma five percent) (exclusive of VAT) of the gross amount of all Rentals collected by it under this clause 4.
- 4.12 Any amount realised by the Mortgagee, on the realisation of the Rentals in terms of this clause 4 which is in excess of the amount owing by the Mortgagor to the Mortgagee in respect of the Indemnity Agreement which is then due and payable shall be repayable to the Mortgagor within 15 (fifteen) Business Days after the complete, unconditional and irrevocable fulfilment of all of the Mortgagor's obligations under the Indemnity Agreement which are then due and payable.

5. **PLACE OF PAYMENT**

The Mortgagor shall make all payments under this Bond without deduction and free of bank costs or charges in the currency of the Republic of South Africa at such place in the Republic of South Africa as the Mortgagee may from time to time appoint by written notice to the Mortgagor.

6. **MAINTENANCE OF THE PROPERTY AND FULFILMENT OF CONDITIONS**

- 6.1 The Mortgagor shall from time to time and at all times until this Bond is cancelled:



- 6.1.1 keep the Property in conformity with the requirements of any competent authority, including any government or governmental, administrative, fiscal or judicial authority, body, court, department, commission, tribunal, registry or any state owned or controlled authority which principally performs governmental functions;
 - 6.1.2 fulfil all the terms and conditions of and obligations under the title deed(s) of the Property; and
 - 6.1.3 keep and maintain all buildings and improvements on the Property in good condition, both internally and externally to the satisfaction of the Mortgagee and shall carry out any renovations and/or repairs required by the Mortgagee from time to time.
- 6.2 In the event of the Mortgagor's failure to comply with any such requirements or to effect any such renovations and/or repairs the Mortgagee shall be entitled but not obliged to effect or cause to be effected such renovations and/or repairs, or compliance with such requirements and conditions as contemplated in clauses 6.1.1 and 6.1.2, at the expense of the Mortgagor in which event the Mortgagee shall be entitled forthwith to recover from the Mortgagor on demand any amounts so expended, together with interest thereon, at the Prime Rate plus a margin of 2% (two percent) namc from the date of disbursement to the date of recovery. The Mortgagor shall, furthermore, not do or suffer anything to be done whereby the value of the Property may be diminished.

7. **RATES AND OTHER PROPERTY CHARGES**

The Mortgagor shall punctually pay on the due date thereof, all rents, stand licences, ground rents, rates and taxes, also all government, provincial or municipal fees, taxes, services or other rates and charges owing, or which may become owing in respect of the

Property and shall, on demand, produce reasonable proof to the Mortgagee of having done so. Should the Mortgagor fail to make any of such payments or fail to produce reasonable proof of having made such payment, then the Mortgagee may (but is not obliged) to make such payment and forthwith recover the same from the Mortgagor together with interest thereon at the Prime Rate plus a margin of 2% (two percent) namc from the date of disbursement to the date of recovery.

8. **PROHIBITION ON ALTERATIONS OR ADDITIONS**

Save for objective value enhancements to the Property, the Mortgagor shall not, without the prior written consent of the Mortgagee, which consent shall not unreasonably be withheld or delayed, demolish or make any material alterations or additions to the buildings, erections and improvements erected or which may hereafter be erected on the Property.

9. **INSPECTION BY MORTGAGEE**

The Mortgagee shall be entitled at all reasonable times to enter upon and inspect the Property or any portion thereof including any buildings, erections or other improvements thereon.

10. **CUSTODY OF TITLE DEEDS AND DOCUMENTS**

The Mortgagor shall, on registration of this Bond, deposit with the Mortgagee the title deeds of the Property. The Mortgagee shall be entitled to retain such title deeds until this Bond is cancelled in a Deeds Registry.

11. **FURTHER BONDS AND ENCUMBRANCES**

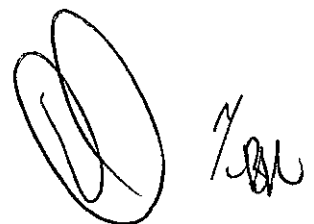
The Mortgagor shall not, without the prior written consent of the Mortgagee (which the Mortgagee will not withhold or delay unreasonably):



- 11.1 pass any further bonds over the Property; or
- 11.2 in any way further alienate, burden or encumber the Property or any part thereof (other than pursuant to leases entered into by the Mortgagor in respect of the Property for its fair rental value in the ordinary course of the Mortgagor's business); or
- 11.3 save as provided for in the conditions of title or endorsed against the title deeds of the Property as at the date of execution of this Bond, dispose of, or contract to dispose of, or grant any option or pre-emptive right in respect of, the Property or any servitude, lien or other right without limitation in or to the Property.

12. **CESSION OF BOND**

- 12.1 The Mortgagee shall be entitled at any time to cede any or all of its rights and/or delegate all or any of its obligations under this Bond to any one or more persons to whom the Mortgagee is entitled to cede and/or delegate such rights and/or obligations under the terms of the Facility Agreement concluded amongst Absa Bank Limited, FirstRand Bank Limited (acting through its Rand Merchant Bank division), Paramount Property Fund Limited and Micawber 409 (Property) Limited dated 21 July 2005 and to register any such cession in the appropriate Deeds Registry and the Mortgagor hereby agrees and consents to any such cession and/or delegation. To the extent that any splitting of claims arises as a consequence of any such cession and/or delegation, as the case may be, the Mortgagor hereby consents to such splitting of claims.
- 12.2 The Mortgagor may not cede and/or delegate any of its rights and/or obligations under this Bond.

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13. **LEGAL AND OTHER COSTS**

13.1 All necessary legal work and all necessary documents in connection with this Bond and the cancellation thereof shall be performed, drawn and registered by attorneys and/or conveyancers nominated by the Mortgagee.

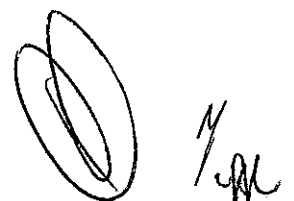
13.2 The Mortgagor shall pay all legal expenses, stamp duties (if any), costs and charges (plus Value-Added Tax thereon):

13.2.1 of and incidental to the preparation, execution (including the preparation and execution of any suretyship or other security required by the Mortgagee), registration and subsequent cancellation of this Bond (and in the event of the failure of the Mortgagor to make any such payment, the Mortgagee shall be entitled, but not obliged, to make such payment on behalf of the Mortgagor and forthwith to recover the amount thereof from the Mortgagor together with interest thereon at the Prime Rate plus a margin of 2% (two percent) *nacm*;

13.2.2 which may be incurred in suing for the recovery of the capital and interest, or any portion thereof, and of any other monies claimable under this Bond, as well as the costs of the execution of any judgment and the costs of any notice calling up or any demand for fulfilment of any term or condition of this bond, including powers of attorney and other documents necessary for that purpose;

and in general all costs, including costs as between attorney and own client, which may arise out of or in connection with this Bond.

13.3 The Mortgagor shall pay the Mortgagee a reasonable administration fee for all its attendances in connection with this Bond, including attendances relating to the cancellation of this bond or any amendments, releases or substitutions.

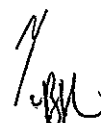
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14. **MORTGAGOR'S DEFAULT**

If the Mortgagor fails to observe or perform any condition of the Indemnity Agreement and/or this Bond or to pay on demand any sum which may be legally claimable by the Mortgagee, or fails to discharge any other obligation or indebtedness to the Mortgagee on its due date, or upon the occurrence of any event constituting a breach of the agreement relating to any indebtedness secured by this Bond, then and in such event, notwithstanding that the Mortgagee may possess and/or have exercised other rights or remedies in respect of the event concerned, all amounts owing by the Mortgagor to the Mortgagee shall, at the option of the Mortgagee, become legally claimable and due forthwith, without notice (anything to the contrary herein contained notwithstanding) and the Mortgagee shall be entitled forthwith to proceed for the recovery thereof as well as legal costs as between attorney and own client and to have the Property or any portion thereof declared executable. The exercise or non-exercise of any right under this condition or otherwise shall in no way affect the validity of this Bond or prejudice the Mortgagee in any way.

15. **CONSENT TO JURISDICTION**

- 15.1 The Mortgagor consents in terms of section 45 of the Magistrates' Courts Act, No. 32 of 1944, as amended, to the Mortgagee taking any legal proceedings for enforcing any of its rights under the mortgage bond in the Magistrate's Court of any district having jurisdiction in respect of the Mortgagor by virtue of section 28(1) of the aforesaid Act.
- 15.2 Notwithstanding the Mortgagors' consent to the jurisdiction of the magistrate's court aforementioned, the Mortgagee shall have the right to institute legal proceedings against the Mortgagor in any other competent court having jurisdiction in the matter.



16. **CERTIFICATE OF INDEBTEDNESS**

A certificate signed by any director or manager of the Mortgagee (whose appointment need not be proved) as to the existence of and the amount of any indebtedness of the Mortgagor under this bond, that such amount is due and payable, the amount of interest accrued thereon and as to any other fact, matter or thing related to the Mortgagor's indebtedness to the Mortgagee in terms of this bond, shall be *prima facie proof* of the contents and correctness thereof for the purposes of provisional sentence, summary judgment or any other proceedings, shall be valid as a liquid document for such purpose and shall, in addition, be *prima facie proof* for purposes of pleading or trial in any action instituted by the Mortgagee arising herefrom.

17. **APPROPRIATION OF PAYMENTS**

Payments of all amounts secured by this Bond may be appropriated by the Mortgagee towards such of the Mortgagor's indebtedness to the Mortgagee, as the Mortgagee in its sole and unfettered discretion may decide.

18. **RENUNCIATION OF BENEFITS**

18.1 The Mortgagor renounces all benefits from the exceptions referred to in clause 18.2 and all other exceptions which might or could be pleaded in bar to any claim of the Mortgagee or claim under the mortgage bond with the meaning and effect of which exceptions and renunciations the Appearer declared the Mortgagor to be fully acquainted.

18.2 The legal exceptions referred to in 18.1 are the legal exceptions *causae non debiti*, i.e. that no just cause exists for the debt of the Mortgagor, *non numeratae pecuniae*, i.e. that the money has not been paid to the Mortgagor, *de errore calculi*, i.e. that there has been a wrong calculation of the debt of the Mortgagor, revision of accounts, no value received, and, where applicable, *de duobus vel pluribus reis*

debendi, i.e. the right of a co-mortgagor to claim that all the other co-mortgagors be joined in any action, each for his proportionate share of the debt in question, and *ordinis seu excussionis et divionis*, i.e. that co-principal debtors shall first be excused and that there shall be a division of the debt between co-principal debtors.


19. **NOTICES AFFECTING THE PROPERTY AND EXPROPRIATION**

19.1 The Mortgagor must immediately furnish to the Mortgagee a photocopy or, if not available, full details of any notice that the Mortgagor receives or becomes aware of affecting the Property or any other local property, road or public place and that may have detrimental effect on the Mortgagee's security in terms of this Bond.

19.2 In the event that the whole or any portion of the Property be expropriated under any law or the whole or any portion thereof taken under the provisions of any law, provincial ordinance or by-law for road-widening purposes or any other purpose whatsoever by any competent authority, the Mortgagor appoints the Mortgagee irrevocably and in *rem suam* to receive all compensation monies payable in respect thereof as well as to make all claims and sign all such documents in regard thereto as may be necessary or desirable and the Mortgagee shall account to the Mortgagor in respect of each such amount received after deduction of all sums due in respect of this Bond and the costs (plus Value-Added Tax thereon) incurred by the Mortgagee in regard to such expropriation or other deprivation.

20. **PROPERTY NOT TO BE LEFT UNOCCUPIED**

The Mortgagor must not leave the Property unoccupied for longer than 7 (seven) days, unless appropriate provision has been made for its security or the Mortgagee so consents in writing, which consent will not be unreasonably withheld or delayed.



21. COMPLIANCE WITH RULES AND DEALINGS WITH BODY CORPORATE

21.1 The Mortgagor shall at all times comply with the rules ("the Rules") (including any house or other rules of any body corporate ("the Body Corporate")) established in terms of Section 36(1) of the Sectional Titles Act No 95 of 1986 ("the Sectional Titles Act") for the buildings as shown on the sectional plan referred to in this bond ("the buildings") from time to time in force and/or in force under the Sectional Titles Act in respect of the buildings, the common property, the Mortgagor's interest in which forms part of the Property ("the common property") and any part or parts of the common property for the exclusive use by the Mortgagor as contemplated in Section 27 of the Sectional Titles Act ("the exclusive use area") and the conditions of sectional title, in all respects fulfil his obligations in terms of the Sectional Titles Act and comply with all laws, by-laws, ordinances, proclamations and regulations applicable to or incumbent on the Mortgagor or the Property.

21.2 The Mortgagor shall -

21.2.1 at all times ensure that the Body Corporate insures to the full replacement value the buildings and all improvements acceding to the common property in terms of Section 37 of the Sectional Titles Act, with an insurer approved by the Mortgagee, against all such risks as may be specified by the Mortgagee and that a value satisfactory to the Mortgagee is allocated to the Property in such insurance policy;

21.2.2 and does hereby cede to the Mortgagee the Mortgagor's interest in -

21.2.2.1 the proceeds of the policies referred to in 21.2.1 and

21.2.2.2 any compensation received by the Body Corporate in terms of the Rules on expropriation of the common property or any part thereof;



21.2.2.3 ensure that such cessions referred to in 21.2.2 are at all times noted and acknowledged by the Body Corporate.

21.3 The Mortgagor hereby appoints the Mortgagee (represented by any nominee) irrevocably and *in rem suam* as the Mortgagor's duly authorised attorney, agent, proxy and representative to act on the Mortgagor's behalf, as fully as the Mortgagor personally might do, in all matters relating to the Property and the Mortgagor's relationships and dealings with the Body Corporate and any other owner of any section in the buildings. In particular and without derogating from the generality of the foregoing the Mortgagor hereby authorises the Mortgagee, represented as aforesaid -

21.3.1 to attend any meeting of the Body Corporate as the Mortgagor's proxy and to speak and vote at such meeting on the Mortgagor's behalf in such manner as the proxy deems fit, specifically recording that if such proxy is present at any such meeting the Mortgagor shall have no right to speak or vote, such rights being irrevocably vested in the Mortgagee. For the purposes hereof the Mortgagor undertakes to sign such additional proxies, Powers of Attorney or other documents as may be requisite to give effect hereto and to do all other things to enable the Mortgagee to carry out the powers hereby granted to it;

21.3.2 to demand and receive on the Mortgagor's behalf any notices, documents, accounts or communications from the Body Corporate or from the Insurer to the Body Corporate which the Mortgagee may require, hereby undertaking to sign such additional documents and do such things as may be requisite or necessary to enable the Mortgagee to receive such documents from the Body Corporate or the insurer;

21.3.3 to exercise all and any rights which the Mortgagor may be entitled to exercise as the owner of the Property as if the Mortgagee were the owner;



21.3.4 to take all steps on the Mortgagor's behalf, including the right and power to make any application to any Court or Authority -

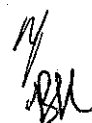
21.3.4.1 to compel the Body Corporate to carry out all or any of the duties or powers imposed upon it in terms of Sections 37 and 38 or any other provisions of the Sectional Titles Act;

21.3.4.2 to apply on the Mortgagor's behalf for the appointment of any administrator in terms of Section 46 of the Sectional Titles Act; and

21.3.4.3 to enter appearance on the Mortgagor's behalf to defend and to conduct the defence of any proceedings which may be brought against the Mortgagor as owner of the Property whether by the Body Corporate, the owner of any other section or any other person,

and for any such purposes to sign such Affidavits, Powers of Attorney and documents as may be necessary and to employ Counsel, Attorneys or representatives for such purposes;

21.3.5 generally to take such steps as the Mortgagee in its absolute discretion may deem fit for the protection of the Property, the preservation of the rights attaching thereto, the proper conduct of the Body Corporate, the enforcement of all and any of the rights which the Mortgagor and/or the Body Corporate may have relating to the buildings and/or the Property and generally to act on the Mortgagor's behalf as the Mortgagor's attorneys and agent without any limit whatsoever.



22. NOTICES AND DOMICILIA

22.1 Notices

22.1.1 The Mortgagor chooses the address set out below as its address to which any written notice in connection with this Bond may be addressed.

Tannery Park
23 Belmont Road
RONDEBOSCH
7701

Telefax No. : 021 – 689 3737
Attention : The Managing Director

22.1.2 Any notice or communication required or permitted to be given in terms of this Bond shall be valid and effective only if in writing but it shall be competent to give notice by telefax transmitted to its telefax number set out opposite its name above; provided that no notices or communications shall be valid or effective for the purposes of this Bond if transmitted by e-mail.

22.1.3 The Mortgagor may by written notice to the Mortgagee change its chosen address and/or telefax number for the purposes of clause 22.1.1 to any other address and/or telefax number, provided that the change shall become effective on the fourteenth day after the receipt of the notice by the Mortgagee.

22.1.4 Any notice given in terms of this Bond shall:

22.1.4.1 if sent by a courier service be deemed to have been received by the addressee on the 7th (seventh) Business Day following the date of such sending;



22.1.4.2 if delivered by hand be deemed to have been received by the addressee on the date of delivery;

22.1.4.3 if transmitted by facsimile be deemed to have been received by the addressee on the first Business Day after the date of transmission,

unless the contrary is proved.

22.1.5 Notwithstanding anything to the contrary herein contained, a written notice or communication actually received by the Mortgagor shall be an adequate written notice or communication to it, notwithstanding that it was not sent to or delivered at its chosen address and/or telefax number; provided that no notices or communications shall be valid or effective for the purposes of this Bond if transmitted by e-mail.

22.2 **Domicilia**

22.2.1 The Mortgagor chooses the address set out below as its *domicilium citandi et executandi* at which documents in legal proceedings in connection with this Bond may be served:

Tannery Park
23 Belmont Road
RONDEBOSCH
7701

22.2.2 The Mortgagor may by written notice to the Mortgagee change its *domicilium* from time to time to another address, not being a post office box or a *poste restante*, in South Africa; provided that any such change shall only be effective on the fourteenth day after deemed receipt of the notice by the Mortgagee pursuant to clause 22.1.4.

22.3 **Electronic Communications and Transactions Act, 2002**

The Mortgagor hereby agree that the provisions of Chapter III of the Electronic Communications and Transactions Act, 2002 are expressly excluded from being applied to any notice or communication by the Mortgagor to the Mortgagee under this Bond.

23. **VARIATION AND NON-WAIVER**

23.1 No variation of or addition to any of the terms and conditions of this Bond shall be of any force or effect unless reduced to writing and signed by the Mortgagor and the Mortgagee; and should the Mortgagee require such variation shall at the cost of the Mortgagor, be prepared by the Mortgagee's conveyancers and registered in the relevant Deeds Registry.

23.2 No such variation or addition shall in any way prejudicially affect the operation of this Bond or the security granted thereunder nor constitute a novation of this Bond, and all the provisions hereof shall apply to such rearrangement or alteration other than those specifically varied thereby.

23.3 No relaxation or indulgence which the Mortgagee may extend to the Mortgagor shall in any way prejudice or be construed as a waiver of the Mortgagee's rights under this Bond, and in particular, and without limiting the generality of the foregoing, no acceptance by the Mortgagee of any payment after its due date shall be construed as a waiver by it of any rights arising out of non-payment on due date.

24. **CONFLICT**

If any conflict exists between the terms of this Bond and the terms of any Finance Document, then the terms set forth in the relevant Finance Document shall prevail.



25. **SEVERABILITY**

Each provision of this Bond is severable from the remaining provisions of this Bond and is separately enforceable.

26. **RIGHTS AND REMEDIES**

The rights and remedies of the Mortgagee under this Bond are cumulative, may be exercised as often as the Mortgagee requires and are in addition to any other rights and remedies which the Mortgagee may have at law or otherwise.

27. **WHOLE AGREEMENT**

This Bond contains all the express provisions agreed on by the Mortgagor and the Mortgagee with regard to the mortgage of the Property, and any alleged express provision contained in this Bond is not binding unless in writing and signed by or on behalf of, the Mortgagee.

28. **EXEMPTION FROM LIABILITY**

The Mortgagee, and its officers, directors, employees, agents and advisors, shall under no circumstances be liable for any loss or damage, whether direct, indirect, consequential or otherwise, as a result of any omission, fault or negligence in exercising any of its powers or any mandate in terms of this Bond (other than as a result of the Mortgagee's gross negligence or wilful misconduct) and the Mortgagor hereby waives any claim which he may have against the Mortgagee arising out of any such omission, fault or negligence.

29. **HEADINGS**

The headings to the clauses of this Bond are inserted for reference purposes only and shall in no way govern or affect the interpretation hereof nor modify nor amplify the terms of this Bond nor any clause hereof.

30. **DEFINITIONS AND INTERPRETATION**

30.1 The expressions defined or incorporated by reference in, and the interpretation provisions of, the Indemnity Agreement shall, except where the context otherwise requires and save where otherwise defined or provided for in this Bond have the same meanings in, and form part of, this Bond. In addition, unless the context dictates otherwise, the words and expressions set forth below shall bear the following meanings and cognate expressions shall bear corresponding meanings:

30.1.1 “**Bond**” means this Continuing Covering Mortgage Bond;

30.1.2 “**Prime Rate**” means the publicly quoted basic rate of interest (percent, per annum, compounded monthly in arrear and calculated on a 365 (three hundred and sixty five) day year (irrespective of whether or not the year is a leap year)) from time to time published by Absa Bank Limited (or its successor-in-title) as being its prime overdraft rate, as certified by any director or manager of Absa Bank Limited (or its successor-in-title), whose appointment, authority and designation need not be proved.

30.2 In the interpretation of this Bond, unless the context otherwise requires or indicates, words signifying:

30.2.1 the singular shall include the plural and vice versa;

30.2.2 any one gender shall include the other genders; and



Handwritten initials or signature.

30.2.3 natural persons shall include juristic persons, trusts, partnerships, associations, deceased estates and insolvent estates.

Barbaraheen
MORTGAGOR or his duly
authorised agent

ny or at or ok
CONVEYANCER

7/20

1-39
①

PROPERTY DETAILS PRINT FOR UNIT 1
SCHEME NO 295/2002
SCHEME NAME SS MORNINGSIDE CLOSE
REG DIV IR

PROVINCE GAUTENG
PREV DESCRIPTION
DIAGRAM DEED NO
EXTENT 1404 SQM
CLEARANCE CITY OF JOHANNESBURG
SG PLAN NUMBER 1001/2001
CONDITIONS NONE

CORPORATE DATE 20040227

FIRM NR : 999
FIRM NAME : AKTEKANTOOR PRETORIA
FILE NR : PREP
FEE AMOUNT: R .00

ORIGIN REASON
SCHEME SITUATED AT
SCHEME SITUATED AT
ORIGIN PROPERTY
MORNINGSIDE EXT 53 , 1545 , 0
MORNINGSIDE MANOR , 5 , 0 (R/E)

INTERDICTION

DOCUMENTS	HOLDER & SHARE	AMOUNT	O/P/A	MICROFILM REF	MMDD
SB21206/2004	STANDARD BANK OF SOUTH AFRICA LTD	R26291100.00		2004 0474 3207	0227
SK2367/2003S	SS295/2002			2003 0675 1212	0423

OWNER DETAILS

FULL NAME & SHARE	PURCH DATE	AMOUNT/REASON	O/P/A	IDENTITY	TITLE DEED	MMDD	MICROFILM REF
PARAMOUNT PROP FUND LTD	20030710	R7400000.00		194501992806	ST24091/2004	0227	2004 0474 3131

* O/P/A - O - MULTIPLE OWNER P - MULTIPLE PROPERTY A - MULTIPLE OWNER AND PROPERTY

*** END OF REPORT ***

(Handwritten signature)

TRACK NUMBER : 10005027407

PROPERTY DETAILS PRINT FOR UNIT 2 ✓
SCHEME NO 295/2002 ✓
SCHEME NAME SS MORNINGSIDE CLOSE ✓
REG DIV IR

PROVINCE GAUTENG
PREV DESCRIPTION
DIAGRAM DEED NO
EXTENT 1185 SQM
CLEARANCE CITY OF JOHANNESBURG
SG PLAN NUMBER 1001/2001 CORPORATE DATE 20040227
CONDITIONS NONE

ORIGIN REASON ORIGIN PROPERTY
HEME SITUATED AT MORNINGSIDE EXT 53 , 1545 , 0
HEME SITUATED AT MORNINGSIDE MANOR , 5 , 0 (R/E)

NO INTERDICTS

DOCUMENTS	HOLDER & SHARE	AMOUNT	O/P/A	MICROFILM REF	MMDD
SB21206/2004 <i>(Signature)</i>	STANDARD BANK OF SOUTH AFRICA LTD	R26291100.00		2004 0474 3207	0227

OWNER DETAILS

FULL NAME & SHARE	PURCH DATE	AMOUNT/REASON	O/P/A	IDENTITY	TITLE DEED	MMDD	MICROFILM REF
PARAMOUNT PROP FUND LTD	20030710	R7000000.00		194501992806	ST24092/2004	0227	2004 0474 3161

* O/P/A - 0 - MULTIPLE OWNER P - MULTIPLE PROPERTY A - MULTIPLE OWNER AND PROPERTY

*** END OF REPORT ***

3/2

TRACK NUMBER : 10005027407

PROPERTY DETAILS PRINT FOR UNIT 3
SCHEME NO 270/2003
SCHEME NAME SS MORNINGSIDE CLOSE
REG DIV IR

PROVINCE GAUTENG
PREV DESCRIPTION
DIAGRAM DEED NO
EXTENT 1212 SQM
CLEARANCE /CITY OF JOHANNESBURG
SG PLAN NUMBER 1001/2001
CONDITIONS NONE
CORPORATE DATE 20020510

ORIGIN REASON ORIGIN PROPERTY
SCHEME SITUATED AT MORNINGSIDE EXT 53 , 1545 , 0
SCHEME SITUATED AT MORNINGSIDE MANOR , 5 , 0 (R/E)

NO INTERDICTS

DOCUMENTS	HOLDER & SHARE	AMOUNT	O/P/A	MICROFILM REF	MMDD
SB21206/2004	STANDARD BANK OF SOUTH AFRICA LTD	R26291100.00		2004 0474 3207	0227
SK2367/2003S	SS295/2002			2003 0675 1212	0423

OWNER DETAILS

FULL NAME & SHARE	PURCH DATE	AMOUNT/REASON	O/P/A	IDENTITY	TITLE DEED	MMDD	MICROFILM REF
PARAMOUNT PROP FUND LTD	20030710	R8600000.00		194501992806	ST24093/2004	0227	2004 0474 3176

* O/P/A - 0 - MULTIPLE OWNER P - MULTIPLE PROPERTY A - MULTIPLE OWNER AND PROPERTY

*** END OF REPORT ***