

CONTRACT OF SALE

MEMORANDUM OF AGREEMENT ENTERED INTO BETWEEN

SILVER FALCON TRADING 176 (PTY) LTD

Of

12 NATRIUM STREET, LADINE, POLOKWANE

(Herein after called "the Seller")

AND

(Herein after called "the Purchaser")

WHEREBY IT IS AGREED AS FOLLOWS:

The purchaser shall supply the seller with an official order.

1. SALE AND PURCHASE

The Seller hereby sells to the Purchaser who hereby purchases the goods described in the Purchaser's official Order (hereinafter referred to as "the goods").

2. PRICE AND PAYMENT

2.1 The purchase price for the goods shall be the sum of R_____
(_____). The Purchaser shall supply the Seller an official order together with a deposit of 30% prior to delivery and installation of the goods.

2.2 The balance of the purchase price in the amount of R_____ (_____) shall be paid within 7 (seven) working days from date of delivery as specified herein under.

2.3 The Purchaser shall under no conditions and for whatever reason withhold payment of the balance of the purchase price.

3. INSTALLATION & DELIVERY

3.1 The Purchaser shall not be liable for payment of any costs or any expenses incurred by the Seller in the delivery and the installation of the goods which have already been included in the purchase price, accommodation for installation teams outside of the Gauteng are not included and must be provided by the Purchaser.

3.2 Delivery costs will be free of charge for the first 350 km from the premises of the Seller and will the Purchaser be liable for payment of transportation costs calculated at R4.00 per km for a distance further than 350km. Return.

3.3 The Purchaser shall be liable for payment of costs in respect of the connection of air hoses, wall taps, the sealing of the roof around the ducting, the sealing of the flooring, any extension of ducting that might be required during the installation process. The purchaser shall be liable for any damage caused by late sealing.

4. OWNERSHIP

4.1 Ownership of the goods shall vest in the Seller until the outstanding balance has been paid.

4.2 The Purchaser shall, notify its landlord, in the event of the goods being installed at premises not being the property of the purchaser, of the Seller's ownership rights confirming that the goods prior to payment of the final instalment not be subject to attachment or forming part of the landlord's hypothec.

4.3 The risk in the goods shall pass to the Purchaser on delivery of the goods on the premises of the Purchaser.

4.4 In the event of the Purchaser not complying with its payment obligations, the Seller will have the right to immediately remove the goods, and hold the Purchaser liable for any costs and damage to the goods incidental thereto, the costs of delivery and installation and removal.

5. SEALING FOR DUCTING:

5.1 Purchaser confirms, that it is aware that it might be required from the Seller to cut holes in the existing structures during the installation process for the ducting of the spray booths, prep decks and paint rooms. The Seller shall not be liable for the sealing around the ducting and existing structures such as roofs. The Purchaser shall at its own costs ensure that ducting and all holes cut by the Seller be properly sealed to ensure liability does not fall to the Seller in the event of any leakage, after the goods have been installed.

5.2 In the event the goods being installed in rented premises, the Purchaser shall as its responsibility inform its landlord to obtain its landlord's permission thereto.

5.3 The Purchaser shall solely be responsible for the repairs of any structures in terms of the lease agreement concluded with its landlord.

6. QUALITY OF GOODS

6.1 This Seller hereby warrants, that the goods are reasonably suitable for the purpose for which they generally intended;

6.2 Of good quality, in good working order and free and clear of any defects;

6.3 Will be useable and durable for a reasonable period of time, having regard to the use of which they would normally be put and to all the surrounding circumstances of the supply, subject to the use thereof for the purpose for which it had been manufactured and according to instructions or warnings issued by the manufacturer.

7. GUARANTEES

7.1 The Seller guarantees the goods as per Invoice for a period of 12 (twelve) months which guarantee includes defective parts and replacement labour in respect of :

7.1.1 Spray booths

7.1.2 Prep decks

7.1.3 Chassis benches

7.1.4 Paint rooms.

7.2 The guarantee will be effective from date of completion of installation and commissioning of goods.

7.3 The Purchaser, will notify, the Seller timeously of any faults, and if the Purchaser pursue operation of faulty goods, without notifying the Seller the guarantee will become null and void.

- 7.4** The Seller limits its liability to either repair or replace parts as deemed necessary within the guarantee period.
- 7.5** In case of re-installation of any of the goods as referred to in this agreement, to a new location/premises, the guarantee will be null and void unless the removal or re-installation is done by the Seller or a contractor approved by the Seller.
- 7.6** The guarantee does not cover the servicing of the goods supplied or damages caused thereto due to:
- Negligence to servicing thereof by the Purchaser
- 7.7** Nor does the guarantee cover the replacement of light bulbs or light fittings. Replacement bulbs or fittings can be purchased from the Seller at normal retail price. Any claims by the Purchaser for whatever reason arising through power shortages (including power surges and dips), shortages of fuels not complying with the operational and maintenance instructions, by negligence in the operation of the goods and/or malicious damages thereto is also excluded.
- 7.8** The guarantee for the period as stated is transferrable on change of ownership subject to prior notification to the Seller and proper inspection being conducted on the condition of the goods.
- 7.9** The Seller shall not be liable under the guarantee under one or more of the following conditions occurring:
- 7.9.1** The equipment being exposed to the elements such as rain and hail and others due to not being adequately covered by roof and protected by from the elements on all sides or for exposure to the elements for any other reason whatsoever..
 - 7.9.2** The Purchaser not notifying the Seller immediately of any malfunction, fault or problem arising in the goods that prevents the Seller from the opportunity to rectify fault of problem, on occurrence thereof.
 - 7.9.3** Failure and/or malfunction of the goods through normal wear and tear on such parts as fan belts, burner nozzles and filters
 - 7.9.4** The failure and/or malfunction of the goods through abuse, unreasonable treatment or the use for which the goods was not designed for. The installation or replacement of parts into or in conjunction with the above goods which are, not approved by the Seller. Changes to the goods and/or modifications thereto without the approval of the Seller.
 - 7.9.5** The Purchaser shall be liable for all costs and incidentals thereto arising from call outs by the Purchaser not related to such faults and/or malfunctions not covered by this guarantee or from the purchaser not servicing the goods within the

requirements as stated by the Seller and/or manufacturer.

- 7.9.6** The Seller retains the right to conduct repairs at its premises on such goods not being able to be repaired on site of the Purchaser. The Purchaser shall deliver such goods to the Seller. The Seller also retains the right to make other arrangements regarding repairs depending on the client's location.
- 7.9.7** The Purchaser will at all times have the goods duly serviced in accordance with the instructions issued by the manufacturer and convey to the Purchaser by the Seller failing which this guarantee will become null and void and will the Purchaser be liable for payment to any repairs required on the goods.

8 ENTIRE CONTRACT

This agreement records the entire agreement parties. No variation, amendment or addition to this agreement will be of any force and effect unless agreed to by the Seller in writing.

9 JURISDICTION

- 10.1** The Purchaser hereby consents to the jurisdiction of the Magistrates' Court having jurisdiction over the person in respect of all legal proceedings connected with this agreement notwithstanding that the value of the matter in dispute might exceed the jurisdiction of the Magistrates' Court.
- 10.2** Notwithstanding the foregoing the Seller is entitled to institute action in the High Court having jurisdiction.

10 SURETY

In the event of the Purchaser being a Company and/or Closed Corporation all the Directors and/or Members shall be personally held liable for due compliance by the Purchaser.

SIGNED ON THIS _____ DAY OF _____ 20_____.

WITNESS:

WITNESS:

SELLER

SIGNED ON THIS _____ DAY OF _____ 20_____.

WITNESS:

WITNESS:

PURCHASER