

**LOAN AGREEMENT**

Property address

**123**

**1234**

Between

**MICRO PROPERTY DEVELOPMENT FUND (PTY) LTD**

Reg No: 2019/407704/07

("Lender")

and

**BITPROP SA (PTY) LTD**

Reg No: 2019/407668/07

("Borrower")

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# **LOAN AGREEMENT**

## **1. PARTIES**

**Micro Property Development Fund (Pty) Ltd.**

Reg No: 2019/407704/07

**Bitprop SA (Pty)Ltd.**

Reg No 2019/407668/07

## **INTERPRETATION**

- 2.1 The headnotes to the clauses of this Agreement are inserted for reference purposes only and shall in no way govern or affect the interpretation hereof.
- 2.2 Unless inconsistent with the context, the expressions set forth below shall bear the following meanings:
- 2.2.1 “**Agreement**” means this loan agreement together with any schedules hereto.
- 2.2.2 “**Business Day**” means any day other than a Saturday, Sunday, or public holiday in the Republic of South Africa.
- 2.2.3 “**Borrower**” means **Bitprop SA (Pty) Ltd (Registration No 2019/407668/07)**, a private company duly incorporated according to the company laws of the Republic of South Africa.

- 2.2.4            **“Encumbrance”** means any mortgage, pledge, lien, charge (whether fixed or floating), assignment or cession conferring security, hypothecation, security interest, preferential right or trust arrangement or any other agreement or arrangement, the effect of which is the creation of security.
- 2.2.5            **“Event of Default”** means an event of default as set out in clause 10;
- 2.2.6            **“Lender”** means **Micro Property Development Fund (Pty) Ltd** (Registration No. **2019/407704/07**) a private company duly incorporated according to the company laws of the Republic of South Africa.
- 2.2.7            **“Loan”** means the aggregate principal amount of the Loan Amount for the time being outstanding hereunder.
- 2.2.8            **“Loan Amount”** means **R12345 (lkjn)**;
- 2.2.9            **“Parties”** means the Lender and the Borrower and **"Party"** shall, as the context requires, be a reference to any one-off them.
- 2.2.10           **“Prime Rate”** and means the rate of interest as quantified by FNB on the first of every month (percent, per annum, compounded monthly in arrear calculated on a 365-day year) from time to time.
- 2.2.11           **“Repayment Date”** means in terms of the schedule annexed hereto marked **“A”**.
- 2.2.12           **“Signature Date”** means the date of the signature of the Party last signing this Agreement.
- 2.2.13           **“Term”** means the period from the Advance Date to the Repayment Date being the period for which the Loan Amount (as from time to time reduced by repayment) is advanced in terms of this Agreement.

- 2.3 If any provision in a definition is a substantive provision conferring rights or imposing obligations on any party, notwithstanding that it is only in the definition clause, effect shall be given to it as if it were a substantive provision of this Agreement.
- 2.4 Unless inconsistent with the context, an expression which denotes:
- 2.4.1 any gender includes the other genders;
- 2.4.2 a natural person includes an artificial person and vice versa;
- 2.4.3 the singular includes the plural and vice versa.
- 2.5 When any number of days is prescribed in this Agreement same shall be reckoned exclusively of the first and inclusively of the last day unless the last day falls on a day which is not a Business Day, in which case the last day shall be the next succeeding Business Day.
- 2.6 Where figures are referred to in numerals and in words, if there is any conflict between the two, the words shall prevail.

## **INTRODUCTION**

- 3.1 The Borrower wishes to raise finance from the Lender for the building of certain residential units.
- 3.2 The Lender is willing to advance the Loan Amount to the Borrower upon the terms and conditions of this Agreement.

## **4. THE LOAN**

- 4.1 The Lender lends to the Borrower who borrows the Loan Amount with effect from the Advance Date upon the terms and conditions set out in this Agreement.

- 4.2 The Loan Amount will be advanced by the Lender directly to the Borrower on the Advance Date by paying the Loan Amount into the bank account of the Borrower.
- 4.3 The Loan Amount is advanced to the Borrower by the Lender for the purpose of funding the construction of Immovable Properties in terms of the partnership Agreement and for other purpose determined from time to time.
- ♦ The partnership agreement is attached hereto marked “B”.

5. **REPAYMENT OF THE LOAN AND INTEREST**

- 5.1 The balance of the Loan Amount outstanding from time to time shall bear interest at the rate of no interest unless repayment is not made then the prime rate as per FNB on a monthly basis (nominal annual compounded monthly in arrears).
- 5.2 The Loan Amount shall be repaid, together with all accrued but unpaid interest thereon calculated in terms of the Repayment Schedule.
- 5.3 All payments to be made by the Borrower to the Lender in terms of this Agreement shall be made directly into the Lender's bank account held with FNB BANK, Account No 62839749267, Account Name: Bitpop SA (Pty) Ltd, Branch code: 250655 or such other bank account of which, or in such other manner as, the Lender may notify the Borrower in writing from time to time. All payments to be made to the Lender in terms of this Agreement shall be made free of exchange, any other costs, charges, or expenses and without any deduction, set-off or counterclaim whatsoever.

6. **EARLY REPAYMENT**

- ♦ The Borrower shall have the right to anticipate the Repayment Date and to repay the Loan or portions thereof together with all accrued but unpaid interest prior to the Repayment Date upon 30(thirty) days written notice to the Lender.

## 7. **SECURITY**

- 7.1 As security for the Borrower's obligations to repay the Loan Amount together with all interest thereon in terms of this Agreement the Borrower; a Mortgage Bond will be registered over the Immoveable Properties for the sum of N/A. or as determined by the parties from time to time.

## 8. **WARRANTIES AND REPRESENTATIONS**

- 8.1 The Borrower hereby represents and warrants to the Lender that:
- 8.1.1 the Borrower is duly registered and existing under the laws of the Republic of South Africa with the power and authority to enter into and to exercise its rights and perform its obligations under this Agreement;
  - 8.1.2 the Borrower has procured the taking of, all necessary corporate and other action to authorise the execution of this Agreement and the utilisation of the Loan Amount;
  - 8.1.3 this Agreement is legal and binding on, and enforceable against, the Borrower in accordance with its terms;
  - 8.1.4 the provisions of this Agreement are not in conflict with, and will not constitute a breach of the provisions of any other agreement or undertaking which is binding on the Borrower.
  - 8.1.5 no litigation, arbitration or administrative proceedings which may have a material adverse effect on the Borrower's ability to perform its obligations under this Agreement are presently current or pending or, to the knowledge of the Borrower, threatened against the Borrower.

- 8.1.6 the obligations of the Borrower under this Agreement will rank at least *pari passu* with all of the Borrower's other unsecured and unsubordinated indebtedness.
- 8.1.7 as at the Advance Date and the Signature Date, no specified Event of Default has occurred; and
- 8.1.8 the Borrower will use the Loan Amount only for the purpose set out in clause 4.3.
- 8.2 Each of the warranties given by the Borrower in terms of clause 8.1 shall:
- 8.2.1 *prima facie* be deemed to be a representation of fact inducing the Lender to enter into this Agreement;
- 8.2.2 be presumed to be material unless the contrary is proved;
- 8.2.3 insofar as any of the warranties is promissory or relates to a future event, be deemed to have been given as at the due date for fulfilment of the promise or for the happening of the event, as the case may be; and
- 8.2.4 be a separate warranty and in no way be limited or restricted by reference to or inference from the terms of any other warranty.
- 8.3 The Lender is entering into this Agreement relying upon the warranties given by the Borrower in clause 8.1.

### **COVENANTS AND UNDERTAKINGS**

- ◆ The Borrower hereby covenants and undertakes that, until the Loan, together with all interest (including penalty interest), costs, expenses and/or charges thereon, has been repaid in full, the Borrower shall:



- 9.1 not create or permit to subsist any Encumbrance on the whole or in part of its present or future assets or revenue, except for such Encumbrances created with the prior written consent of the Lender or such Encumbrances as are created in favour of the Lender;
- 9.2 promptly inform the Lender of any occurrence of which it becomes aware which might adversely affect its ability to perform its obligations under this Agreement or of any Event of Default referred to in clause 10 forthwith upon becoming aware thereof and will from time to time, if so requested by the Lender, confirm to the Lender in writing that save as otherwise stated in such confirmation, no such Event of Default has occurred and/or is continuing.

#### **EVENTS OF DEFAULT**

- 10.1 An Event of Default shall occur if:
- 10.1.1 the Borrower fails to pay any sum due by it to the Lender in terms of this Agreement on due date for payment and the Borrower continues such failure for more than 5 (five) Business Days; or
- 10.1.2 the Borrower breaches any of its obligations in terms of this Agreement and fails to remedy such breach (if capable of remedy) within 10 (ten) Business Days of receipt of written notice from the Lender requiring remedy thereof; or
- 10.1.3 the Borrower commits an act of insolvency as defined in the Insolvency Act, 1936 (as amended) or an act defined in terms of Section 344 of the Companies Act, 1973 (as amended); or
- 10.1.4 the Borrower is unable or ceases for any reason whatsoever to conduct its normal line of business in the ordinary and regular manner; or

- 10.1.5 the Borrower compromises or attempts to compromise generally with its creditors; or
- 10.1.6 any assets of the Borrower are attached under writ of execution and the Borrower fails within 14 (fourteen) days of such attachment to take the necessary steps to have such attachment set aside and thereafter pursue such steps with due diligence; or
- 10.1.7 the Borrower sells, transfers or otherwise disposes of, in any one transaction or a series of related transactions, a material portion of its undertaking or changes its asset structure, except in the normal course of business and as a result of the disposal the Borrower would in the reasonable opinion of the Lender be unable to perform or observe its obligations in terms of this Agreement; or
- 10.1.8 any order of court (whether provisional or final), unless pursuant to a reorganisation, reconstruction or amalgamation consented to by the Lender is granted for the winding up of the Borrower; or
- 10.1.9 the members of the Borrower effectively resolve, otherwise than pursuant to a reorganisation, reconstruction or amalgamation consented to by the Lender, to voluntarily wind up the Borrower; or
- 10.1.10 a judicial manager, receiver or similar officer is appointed in respect of the Borrower or in respect of all or any material part of its assets; or
- 10.1.11 any representation, covenant, warranty or statement made by the Borrower in connection with this Agreement is breached or is untrue or incorrect in any material respect or if the Borrower has failed to disclose any fact or defect which, in the opinion of the Lender, is material to this Agreement.

- 10.1.12            Upon, or at any time after, the occurrence of an Event of Default, the Lender may, by written notice to the Borrower:
- 10.1.13            declare all or any part of the Loan Amount to be immediately due and payable (whereupon the same shall become so payable together with accrued interest thereon and any other sums, then owed by the Borrower hereunder) or declare the Loan to be due and payable on demand of the Lender; and/or
- 10.1.14            cancel this Agreement without prejudice to such other rights as the Lender may have at law.
- 10.1.15            If, pursuant to clause 10.1.12, the Lender declares the Loan to be due and payable on demand of the Lender, then and at any time thereafter, the Lender may by written notice to the Borrower call for repayment of the Loan on such date as it may specify in such notice (whereupon the same shall become due and payable on such date, together with accrued interest thereon and any other sum then owed by the Borrower hereunder) or withdraw its declaration with effect from such date as it may specify in such notice.

## 11. **RENUNCIATION OF BENEFITS**

- ◆ The Borrower renounces all benefits of the exceptions of “no value received”, “*non numeratae pecuniae*”, “*non causa debiti*”, and “*errore calculi*”, the meaning and effect of which it declares it understands.

12. **CERTIFICATE OF INDEBTEDNESS**

- ◆ A certificate signed by any director or manager of the Lender (whose appointment need not be proved) as to the existence of and the amount of indebtedness by the Borrower to the Lender, that such amount is due and payable, the amount of interest accrued thereon and as to any other fact, matter or thing relating to the Borrower's indebtedness to the Lender in terms of this Agreement, shall be sufficient proof of the contents and correctness thereof for the purposes of provisional sentence, summary judgement 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 Lender arising here from.

13. **PENALTY INTEREST**

- ◆ Interest calculated at the Prime Rate shall accrue on the outstanding balance of all amounts due and payable but unpaid by the Borrower from time to time in terms of this Agreement. Such interest shall be calculated from the due date of each such overdue amount to date of payment thereof and shall be paid by the Borrower on demand.

**SEVERABILITY**

It is agreed that each clause of this Agreement is severable, the one from the other, and if any clause is found to be defective or unenforceable for any reason by any competent court, then the remaining clauses shall be of full force and effect and continue to be of full force and effect.

15. **ADDRESSES**

- 15.1.1            Each Party chooses the address set out opposite its name below as its address at which all notices, legal processes and other communications must be delivered for the purposes of this Agreement.

15.1.2                    **MICRO PROPERTY DEVELOPMENT FUND (Pty) Ltd**

Address: Innovation City, Darters  
Road, Gardens, Cape Town, 8001  
E-mail jon.fisher@bitprop.com

15.1.3                    **BITPROP SA (Pty) Ltd**

Address: Innovation City, Darters Road, Gardens, Cape Town, 8001  
E-mail jon.fisher@bitprop.com

15.1.4                    Any notice or communication required or permitted to be given in terms of this Agreement shall be valid and effective only if in writing, but it shall be competent to give notice by e-mail.

15.1.5                    Any Party may by written notice to the other Party change its chosen address to another physical address, provided that the change shall become effective on the fourteenth day after the receipt of the notice by the addressee.

15.1.6                    Any notice to a Party contained in a correctly addressed envelope; and

15.1.7                    sent by prepaid registered post to it at its chosen address; or

15.1.8                    delivered by hand to a responsible person during ordinary business hours at its chosen address.

◆                        shall be deemed to have been received in the case of clause 15.1.7, on the seventh business day after posting (unless the contrary is proved) and, in the case of clause 15.1.8 on the day of delivery.

15.2 Any notice by e-mail to a Party at its e-mail number shall be deemed, unless the contrary is proved, to have been received within 2 (two) hours of transmission where it is transmitted during normal business hours or within 12 (twelve) hours of the first Business Day after it is transmitted where it is transmitted outside those business hours.

15.3 Notwithstanding anything to the contrary contained in this clause 17, a written notice or communication actually received by a Party shall be an adequate written notice or communication to it notwithstanding that it was not sent to or delivered at its chosen address.

15.4 **GOVERNING LAW**

- ♦ The entire provisions of this Agreement shall be governed by and construed in accordance with the laws of the Republic of South Africa. Furthermore, the Parties hereto hereby irrevocably and unconditionally consent to the non-exclusive jurisdiction of the Witwatersrand Local Division of the High Court of South Africa in regard to all matters arising from this Agreement.

**GENERAL**

16.1 This document contains the entire agreement between the Parties in regard to the subject matter thereof.

16.2 No Party shall have any claim or right of action arising from any undertaking representation or warranty not included in this document.

16.3 No failure by a Party to enforce any provision of this Agreement shall constitute a waiver of such provision or affect in any way a Party's right to require the performance of such provision at any time in the future, nor shall a waiver of a subsequent breach nullify the effectiveness of the provision itself.

16.4 No agreement to vary, add to or cancel this Agreement shall be of any force and effect unless reduced to writing and signed by or on behalf of the Parties to this Agreement.

16.5 No Party shall be entitled to cede any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the other Party.

17. **COSTS**

17.1 Each Party shall bear its own costs of and incidental to the negotiation, preparation and execution of this Agreement.

17.2 The Borrower shall pay to the Lender on demand, all legal costs incurred by the Lender in consequence of any default by the Borrower, whether in terms of clause 10 or otherwise, on the scale as between attorney and client.

SIGNED at Cape Town on this the Tues day of Feb 1022.

For and on behalf of  
**Bitprop SA (Pty) Ltd**

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Name: Jonathan Fisher  
Capacity: CFO  
Who warrants his authority hereto

SIGNED at Cape Town on this the Tues day of Feb 1022.

For and on behalf of  
**Micro Property Development Fund**

A handwritten signature in black ink, appearing to be 'CF Sammeli', written on a light blue background.

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Name: CF Sammeli  
Capacity: Director  
Who warrants his authority hereto