



Instalment sale agreement of immovable property (incorporating the National Credit Act of 2005)

SALE AGREEMENT

Between

Identity Number: _____

Married In/Out of Community of Property/Unmarried

&

Identity Number: _____

Married In/Out of Community of Property/Unmarried

(**"the Seller"**)

And

Identity Number: _____

Married In/Out of Community of Property/Unmarried

&

Identity Number: _____

Married In/Out of Community of Property/Unmarried

(**"the Purchaser"**)

SCHEDULE



A	Name of seller		
B	Seller's contact details	Residential/Business Address (Physical address)	
		Domicilium Address	
		Fax	
		Tel	
		E-mail address	
C	Is the Seller a resident of the Republic of South Africa for Income Tax purposes?		
D	Name and Address of the Owner (if not the Seller)		
E	Name of Purchaser		
F	Purchaser's Contact Details	Residential / Registered Address (Physical)	
		Domicilium Address	
		Fax	
		Tel	
		E-mail	
G	Marital Status of Purchaser		
H	Name and Identity Number of Purchaser's Spouse (if married in community of property)		

I	Description of Property and Extent as per title deed	<p>A Unit consisting of</p> <p>(a) Section No. 4 as shown and more fully described on Sectional Plan No SS 701/2019 in the scheme known as CARU in respect of the land and building or buildings situated at ERF 785 WATERKLOOF RIDGE TOWNSHIP, LOCAL AUTHORITY: TSHWANE METROPOLITAN LOCAL MUNICIPALITY, of which section the floor area, according to the said sectional plan is 250 (Two Hundred and Fifty) square metres in extent and</p> <p>(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.</p> <p>HELD BY Deed of Transfer ST701/2019(4)</p>	
J	Physical Address of Property		
K	Existing Mortgage Bonds over the Property	Name of Mortgagee / Bank	STANDARD BANK
		Mortgagee's address and contact details	
		Loan Account Number	
		Mortgage Bond Number	SB58654/2019
		Amount of Bond	R1,950,000.00
L	Anticipated Occupation Date	1 May 2020 @ R25,000.00 per month	
M	Purchase Price (VAT inclusive)	R2,800,000.00	
N	Payment	(a) Deposit	R1,000,000.00
		(b) Further deposit	
		(c) Amount of each instalment	R50,000.00
		(d) Due date of first instalment	1 May 2020
		(e) Due date of sub-sequent instalments	1 st day of each month
		(f) Commencing interest rate on outstanding balance% per annum	

		(g) Date by which the balance of the purchase price is to be paid ("Repayment Date")	1 May 2023 (36 months)
O	Seller's Bank Account Details (for payment of Instalments)		C BOTHA INVESTEC BANK ACB CODE ACC NO
P	Name and Address of Estate Agent/Broker	RE/MAX Infoglobe Zach Du Plessis zach@wernerdewaal.co.za Tel: 081 424 1632	
R	Estimated transfer duty to be paid by Purchaser (if applicable)	R124,000.00	Payable within 6 months from date of recording.
S	Estimated amount of annual rates	± R13 800 (R1150 per month)	
T	Estimated amount of monthly levies (if applicable)	± R6 960 (R580 per month)	
U	Special conditions		

CONDITIONS OF SALE

1 Definitions

Unless inconsistent with the context, the following expressions shall have the meanings set forth against them, namely:

- 1.1** "the ALA" means the Alienation of Land Act No. 68 of 1981, as amended, and the Regulations published in terms thereof.
- 1.2** "Business Day" means a day other than a Saturday, Sunday or a public holiday.
- 1.3** "Contract" means the Schedule and these Conditions of Sale.
- 1.4** "Conveyancers" means Nel Van Der Merwe & Smalman Inc (Mr C Botha), E-mail: conri@nvsinc.co.za, Telephone : 012 807 1989
- 1.5** "Conveyancers' Trust Account" means:
- Bank: ABSA BANK
- Branch (and branch code): 632005
- Account Name: Nel Van Der Merwe & Smalman Inc
- Account Number: 4076XXXXXX
- Reference Number: WS1975/surname
- Confirmation of payment to be mailed to: conri@nvsinc.co.za
- 1.6** "Date of Occupation" means the date in Section L of the Schedule.
- 1.7** "Date of Recording" means the date the Contract is recorded in the Deeds Office against the title deeds of the Seller.
- 1.8** "Date of Signature" means the last date of signature hereto by one of the parties hereto.
- 1.9** "Date of Transfer" means the date upon which registration of transfer of the Property into the name of the Purchaser is registered in the Deeds Office.
- 1.10** "Day" means a calendar day.
- 1.11** "FICA" means the Financial Intelligence Centre Act 38 of 2001.
- 1.12** "Loan" means a loan arranged by the Seller for the Purchaser in terms of section 15(2) of the ALA which will enable the Purchaser to take transfer of the Property.
- 1.13** "Municipality" means the municipality of the area in which the Property is situate.

- 1.14** "NCA" means the National Credit Act 34 of 2005, as amended, together with the regulations and notices promulgated from time to time in terms thereof.
- 1.15** "CPA" means the Consumer Protection Act 68 of 2008, as amended, together with the regulations and notices published from time to time in terms thereof.
- 1.16** "Offer Letter and Quotation" means the Offer Letter and Quotation issued by the Seller to the Purchaser in terms of Section 92 of the NCA dated the and accepted by the Purchaser on the, a copy of which is prefixed hereto.
- 1.17** "Owner of the Property" means the Seller unless the Seller is an intermediary.
- 1.18** "Property" means the immovable property together with all improvements thereon described in Section I of the Schedule and situate at the physical address in Section I and J of the Schedule.
- 1.19** "Purchaser" means the party referred to in section E of the Schedule, whose residential / business address is described in section F of the Schedule.
- 1.20** "Repayment Date" means the date recorded in section N(g) of the Schedule, namely the date on which the Purchaser is obliged or may be compelled to take transfer of the Property against simultaneous payment of all amounts owed by the Purchaser in terms of this Contract.
- 1.21** "SARS" means the South African Revenue Service.
- 1.22** "Savings Account" means a corporate saver account with Investec Bank.
- 1.23** "Schedule" means the schedule prefixed to these Conditions of Sale.
- 1.24** "Seller" means the party referred to in section A of the Schedule, whose residential or business address is described in section B of the Schedule.
- 1.25** "Seller's Bank Account" means the bank account described in Section O of the Schedule.
- 1.26** "VAT" means Value Added Tax in accordance with the provisions of the Value Added Tax Act of 1991.

2 Sale

The Seller hereby sells to the Purchaser who hereby purchases the Property.

3 Purchaser as Trustee for a Company to be formed

It is recorded that the purchaser is acting herein as trustee for a company to be formed. The purchaser:

- 3.1** undertakes to effect registration of the company as soon as possible after signature of this agreement and as provided for in section 21 of the Companies Act 71 of 2008;
- 3.2** undertakes to obtain adoption/ratification of this agreement by the company within seven (7) days after CIPC has issued it with a Registration Certificate;
- 3.3** in the event of the adoption/ratification referred to above, binds himself as surety and co-principal debtor with the company for the due and faithful observance by the company of all the terms, conditions and stipulations of this agreement;
- 3.4** undertakes that, should the company not be incorporated and issued with a Registration Certificate within forty five (45) days of the date of signature of this agreement by the purchaser or within such extended period as may be allowed in writing by the seller, or should the company, when registered and entitled to commence business, fail to adopt and ratify the terms of this agreement within the period provided for herein, he in his personal capacity will accept transfer of the property and take over the purchase of the said property and pay the purchase price as if this agreement had been made in his personal capacity.

4 Resolutions

- 4.1** Persons signing this Contract on behalf of any of the parties hereto warrant that they are authorised in writing to sign on behalf of their principals.
- 4.2** If the Seller is a company and property hereby sold constitutes the greater part or all of the assets of the Seller, the sale of the Property to the Purchaser will be authorised by a special resolution of the

shareholders of the Seller in terms of Section 115 of the Companies Act of 2008 and the Seller will have satisfied all the other requirements of section 115 of that Act.

5 Ownership of the Property and Mortgage Bonds

5.1 The Property is registered in the name of the Seller.

5.2 There is 1 (One) mortgage bond/s registered over the Property, namely:

- (a) Mortgage bond No. SB58654/2019 in favour of STANDARD BANK.

6 Purchase Price

The purchase price of the Property is the sum referred to in Section M of the Schedule inclusive of VAT (if applicable), which shall be payable in the following manner:

- 6.1** A cash deposit in the sum referred to in Section N(a) of the Schedule shall be payable into the Conveyancers' Trust Account within seven (7) days of the Date of Signature, to be held in trust by the Conveyancers. The Conveyancers are authorised to invest such sum in a savings account, the interest to accrue to the Purchaser, until the Date of Recording.
- 6.2** Should a further deposit be payable as recorded in Section N(b), that deposit shall be dealt with in the same manner as in clause 6.1.
- 6.3** The balance of the purchase price, together with the interest thereon, shall be payable in the monthly instalments recorded in Section N(c) of the Schedule, the first instalment to be paid on or before the date reflected in Section N(d) of the Schedule and subsequent instalments to be paid on the day of each and every succeeding month specified in Section N(e) of the Schedule.
- 6.4** The total instalments payable during any of the successive periods of 18 (eighteen) months following the Date of Signature shall not be less than the interest which would be due and payable in terms of this Contract for that period of twenty four (24) months.
- 6.5** From the first day of the month following the month in which the Date of Recording occurs, interest on the balance of the purchase price owing from time to time shall be calculated monthly in advance at the maximum rate prescribed by regulation in terms of the ALA (subject to the NCA), the commencing rate being recorded in Section N(f) of the Schedule. Interest shall also be calculated for the period from the Date of Recording to the last day of the month in which the recording occurs.
- 6.6** Should the rate of interest payable in terms of this Contract be increased, then the Seller shall give the Purchaser thirty (30) business days notice thereof in writing, whereafter the monthly instalments payable by the Purchaser shall be increased to ensure that the same rate of capital redemption is maintained. The instalments will however not be reduced should the rate of interest decrease.
- 6.7** Each instalment shall be allocated firstly towards the payment of interest, secondly towards any fees or charges and thereafter in reduction of the purchase price.
- 6.8** Until the Date of Recording, the monthly instalments shall be paid to the Conveyancers to be held in trust. On the Date of Recording, the Conveyancers shall:
 - (a) Pay the instalments held in trust to the Seller together with the deposit (less any amount due to SARS in terms of clause 8 hereof); and
 - (b) Pay the interest earned on the deposit to the Purchaser.
- 6.9** The Purchaser shall at all times be entitled to make a payment before the date on which it is due in terms of this Contract or to make larger payments than the payments for which this Contract provides or, if the Property is registrable, the Purchaser may tender payment of all amounts owing in terms of this Contract and claim transfer of the Property against payment of such amounts.
- 6.10** Notwithstanding anything to the contrary contained herein, all amounts owing under and in terms of this Contract shall be paid to the Seller by not later than the Repayment Date recorded in Section N(g) of the Schedule. The Purchaser shall be entitled and obliged to take transfer of the Property against the payment of such amounts.
- 6.11** All payments are to be made in South African currency free of bank charges and other expenses. The Purchaser acknowledges that the Conveyancers are precluded from investing the deposit in a Savings Account until the Purchaser has provided the Conveyancers with all documents required in terms of FICA.

6.12 Subject to the NCA, the Purchaser shall not have the right to defer or withhold payment of any amounts due and payable in terms of this Contract.

7 Place of Payment

All instalments due by the Purchaser to the Seller in terms of the Contract shall be paid into the Seller's Bank Account, as detailed in Section O of the Schedule, without deduction or demand or at such other place as the Seller may from time to time by written notice appoint.

8 Withholding Tax

8.1 The Seller warrants that the Seller is a resident of the Republic of South Africa as defined in Section 1 of the Income Tax Act, 1962, and the Seller hereby indemnifies and holds the Conveyancers harmless against any claim for payment of withholding tax which may be made by SARS.

Or

8.2 Notwithstanding the Seller's warranty, should the Conveyancers believe that the Seller is a non-resident, the parties hereby irrevocably authorise and instruct the Conveyancers upon registration of transfer to withhold the prescribed percentage of the purchase price and, within 14 (fourteen) days of Date of Transfer, to pay this sum to SARS on behalf of the Seller.

Or

8.3 The Seller is not a resident of the Republic of South Africa for the purposes of the Income Tax Act, 1962, and the Seller acknowledges that the Purchaser is obliged to withhold from the purchase price the amount prescribed in section 35A of the Income Tax Act, 1962, and on registration of transfer to pay such amount to SARS unless the amount has been reduced (or the requirement to withhold waived) by SARS.

8.4 The Conveyancers are hereby irrevocably and *in rem suam* authorised to deduct the withholding tax from the deposit or the proceeds of the selling price and to pay such tax to SARS. If the Seller is a natural person, the amount to be withheld will be 5% of the selling price of the Property, if a company 7,5% and if a trust 10%.

9 Fixtures and Fittings

The Property is purchased together with all fixtures and fittings of a permanent nature such as TV aerials, burglar guards, light fittings, fitted cupboards, pelmets, fitted carpets, air-conditioning units, security systems, gate controls, swimming pool equipment and any other fixtures, trees, shrubs or plants, as the case may be.

10 Voetstoots

10.1 Subject to and apart from any warranties given in terms of this Contract, the Property together with all improvements thereon is sold voetstoots, subject to all defects whether patent or latent, and subject to all servitudes and conditions whether contained in the title deeds or otherwise. The Purchaser acknowledges being fully acquainted with the Property, its extent and locality.

10.2 Notwithstanding the foregoing, the Seller warrants that to the best of the Seller's knowledge and belief, the municipality has given its approval to building plans of all buildings and structures situate on the Property for which building plans are required. If it is discovered that as built building plans are outstanding, the Seller undertakes forthwith to have such plans drawn and approved by the Municipality at the Seller's cost.

11 Title Deeds

This Contract is subject to and conditional upon the Seller supplying the Purchaser with a copy of the title deeds and diagram of the Property within seven (7) days of the Date of Signature and the Purchaser within a further period of five (5) days confirming to the Seller that the Purchaser is satisfied that the title deeds do not contain any onerous terms or conditions.

12 Beacons

The Seller undertakes at the Seller's cost to flag and locate the beacons on the boundaries of the Property within ten (10) days of the Date of Signature. Should the boundaries be different to those pointed out by the Seller, the Purchaser shall have the right to resile from the purchase of the Property.

13 Compliance Certificates

13.1 Electrical Compliance Certificate

The Seller shall at his cost provide an Electrical Compliance certificate as required by the Electrical Installation Regulations, 2009 (issued in terms of the Occupational Health and Safety Act, 1993) to the Conveyancers before registration of transfer. Should the electrician indicate that remedial or rectification electrical work be carried out as precondition of the issue of a Compliance Certificate, this shall be for the costs of the seller. The certificate shall not predate the date of transfer by more than two years.

13.2 Gas Installation Certificate

If there is a gas installation on the property, the seller shall, at its own cost, deliver a Certificate of Conformity to the Purchaser before the date of transfer. The Certificate shall be issued by an authorised person as defined in the Pressure Equipment Regulations 2009 (issued in terms of the Occupational Health and Safety Act, 1993).

The Seller undertakes not to alter, install or remove the gas installation after the Certificate was issued. In so far as the authorised person requires corrective work to be carried out as a precondition to the issue of such Certificate, the Seller will ensure that such work is carried out and it will be for the Seller's cost and expense.

The Seller undertakes, in addition, to furnish the Purchaser with a copy of the certificate before registration of transfer.

13.3 Electric Fence Certificate

The Seller shall, at his cost, deliver to the Purchaser an Electric Fence System Certificate of Compliance, as required in terms of the Electrical Machinery Regulations of 2011 (issued under the Occupational Health and Safety Act) in respect of the electric fence system on the property, if any. If the Seller is in possession of a valid electric fence certificate of compliance at the time of entering into this agreement, it is sufficient that he transfers the current certificate to the Purchaser, provided no alterations or amendments were made to the electric fence installation after the date of issue of the current certificate.

If the Seller is not in possession of such certificate, or if he is in possession of such a certificate but amendments or alterations were effected to the electric fence installation after the current electric fence certificate was issued, the Seller hereby instructs the Agent to arrange this inspection and obtain the certificate on his behalf.

14 Warranties

The Seller warrants that, to the best of the Seller's knowledge and belief:

- 14.1** No person and no representative of any community has, in terms of the Restitution of Land Rights Act No. 22 of 1994, lodged a claim for the restitution of the Property or any right in the Property. The Seller is not aware of any pending claim for restitution.
- 14.2** The Seller is not aware of any encroachments nor of any pending expropriation of the Property or of any portion thereof nor is the Seller aware of any proposed rezoning of the Property. The Seller has disclosed to the Purchaser all information available to the Seller concerning the Property and its use.
- 14.3** The Property is unoccupied and no person may claim to be an occupier of the Property in terms of the Extension of Security of Tenure Act No. 62 of 1997.
- 14.4** The Property is free of squatters and no person may claim to be an unlawful occupier in terms of the Prevention of Illegal Eviction from and Unlawful Occupation of Land Act No. 19 of 1998.
- 14.5** No person has an option or pre-emptive right to purchase the Property.

15 Agent/Broker

This Contract was concluded with the assistance of an estate agent and selling commission is payable. The Purchaser warrants that Zach Du Plessis of Re/Max Infoglobe introduced the Purchaser to the Seller in circumstances which could give rise to a claim for the payment of an introductory fee or selling commission.

16 Rights of the Purchaser

In addition to the other rights of the Purchaser which are recorded in this Contract, it is acknowledged that:

- 16.1** The Purchaser is entitled to choose the official language in which the Contract is to be drawn up. The Purchaser confirms having chosen English.

- 16.2** The Purchaser is entitled to perform the obligations of the Owner of the Property or of an intermediary in terms of Section 11 of the ALA.
- 16.3** The Purchaser is entitled to receive a free copy of this Contract within thirty (30) days of the Date of Signature. If the Seller fails to deliver a copy after receiving fourteen (14) days written notice by registered post to furnish the Purchaser with a copy, the Purchaser shall not be liable for the payment of interest in terms of this Contract until such time as the Purchaser receives a copy of the Contract from the Seller.
- 16.4** If the Property is encumbered by a mortgage bond or bonds, the Purchaser is entitled to receive from the Seller, within thirty (30) days of the Date of Signature, a Certificate by the mortgagee(s) drawn in accordance with the provisions of Section 7 of the ALA. The Purchaser acknowledges having received the Certificate.
- 16.5** If the Seller is an intermediary, the Seller shall, within thirty (30) days of the Date of Signature, forward to the Purchaser a Certificate prepared by the Owner of the Property in compliance with the provisions of Section 8 of the ALA.
- 16.6** The Purchaser at any time and on payment of the prescribed fee may require a mortgagee to furnish the Purchaser with a certificate in terms of section 9(3) of the ALA, which records the amount of the Seller's indebtedness to the mortgagee.

17 Obligations of the Purchaser

In addition to any other obligations contained elsewhere in this Contract, the Purchaser shall be obliged:

- 17.1** In terms of Section 9 of the ALA and at the Purchaser's cost, forthwith to notify the mortgagee of the conclusion of this Contract, of the Purchaser's domicilium address and such other particulars as the mortgagee reasonably may require.
- 17.2** If the Purchaser is a remote Purchaser, i.e. if the Purchaser has purchased the Property from an intermediary who is not the Owner of the Property, the Purchaser shall, in terms of Section 21 of the ALA, forthwith notify the Owner of the Property of the conclusion of this Contract, the Purchaser's domicilium address and the name and address of the intermediary.

18 Statement by Purchaser

The Purchaser:

- 18.1** understands the risks and the costs as well as the Purchaser's rights and obligations under this Contract;
- 18.2** states that entering into this Contract will not cause the Purchaser to become over-indebted as contemplated in the NCA;
- 18.3** fully and truthfully has answered all requests for information made to the Purchaser by or on behalf of the Seller which led to the conclusion of this Contract;
- 18.4** acknowledges that the Seller has given the Purchaser a pre-agreement statement and quotation (in the form of the Offer Letter and Quotation);
- 18.5** has the necessary legal capacity to enter into this Contract and is not subject to an administration order in terms of Section 74 of the Magistrates' Courts Act and has not been sequestered as insolvent;
- 18.6** did not receive an offer from the Seller which automatically will result in an agreement if the Purchaser does not decline the offer;
- 18.7** was not induced, harassed or forced to enter into this Contract;
- 18.8** has not been required or induced to enter into any supplementary agreements to this Contract and the Offer Letter and Quotation;
- 18.9** records that this Contract was completed in full at the time the Purchaser signed it;
- 18.10** is aware that, when this Contract takes effect, the Seller must report the relevant details hereof required in terms of section 69(2) of the NCA to the National Credit Register or a registered credit bureau.

19 Joint and Several

Should there be more than one Purchaser, the obligations of the Purchasers hereunder shall be joint and several.

20 Right of Termination by the Purchaser

20.1 Notwithstanding anything to the contrary contained herein, the Purchaser shall have the right, in terms of Section 121 of the NCA and section 29A of the ALA, to terminate this Contract by written notice delivered to the Seller within five (5) Business Days of the Date of Signature.

20.2 The notice will be effective only if it:

- (a) Is signed by the Purchaser or the Purchaser's agent acting on the Purchaser's written authority;
- (b) Identifies this Contract as the agreement to be revoked;
- (c) Is unconditional; and
- (d) Contains a tender to return the Property to the Seller, if possession has been transferred.

20.3 Should the Contract be terminated pursuant to sub-clause 20.1 above, the following provisions shall apply:

- (a) Any amount paid or deposited by the Purchaser shall be refunded to the Purchaser within seven (7) business days.
- (b) The Purchaser shall be obliged to pay to the Seller:
 - (i) the reasonable cost of returning the Property to the Seller;
 - (ii) a reasonable rental for the occupation of the Property for the time that the Purchaser was in occupation thereof.
- (c) No penalty or cancellation fee shall be payable by either party to the other.

21 Credit Bureaux

21.1 The Purchaser confirms that the Seller may transmit to registered credit bureaux information concerning:

- (a) this Contract; and
- (b) any non-compliance by the Purchaser with the terms of this Contract.

21.2 The Purchaser acknowledges that a credit bureau will provide the Seller with a credit profile and possibly a credit score on the creditworthiness of the Purchaser. The Purchaser has the right to contact the credit bureau to have the credit records disclosed and to correct any inaccurate information.

22 Contact Details

The Purchaser is provided with the following contact details:

22.1 the National Credit Regulator – Tel: (011) 011 554 2600 ; 0860 627 627

- Address: 127 - 15th Road, Randjespark, Midrand

22.2 the National Consumer Tribunal – Tel: 012 683 8140

22.3 Credit Bureaux:

- (a) Experian – 011) 799-3400
- (b) Trans Union ITC – 0861 482 482

23 Destruction

Should any buildings or improvements on the Property be substantially damaged or destroyed prior to the Date of Recording, the Purchaser shall be entitled, on written notice to the Seller, to resile from this Contract and neither party shall have any further claim against the other.

24 Recording of Contract

- 24.1** The Purchaser is entitled to have this Contract recorded against the title deeds of the Property in terms of Section 20 of the ALA. The Seller and Purchaser jointly undertake to instruct the Conveyancers to attend to the recording of this Contract, and will sign the documents necessary to procure the recording.
- 24.2** The Seller undertakes not to encumber or further encumber the Property by a Mortgage Bond on or before the Date of Recording.
- 24.3** To facilitate compliance with FICA, the parties undertake forthwith to supply the Conveyancers with copies of the documents reflected on the Document Schedule annexed hereto.
- 24.4** The parties warrant that all VAT (if applicable) and income tax returns they are obliged to submit to SARS have been duly submitted and all VAT (if applicable) and income tax due by each party to SARS has been paid.
- 24.5** The Conveyancers will not be required to ensure that the certificates referred to in clause 13 have been issued prior to the Date of Recording.

25 Possession and Occupation

- 25.1** Possession and vacant occupation of the Property shall pass to the Purchaser on the Date of Occupation from which date the Purchaser shall be entitled to all income from the Property and from which date the Purchaser shall be liable for and shall pay rates, levies, the cost of insurance and all other outgoings in respect of the Property. Prepaid income and expenses and expenses which have accrued but have not been paid by the Seller shall be adjusted between the Purchaser and the Seller at that date.
- 25.2** The risk in and to the Property shall pass to the Purchaser on the Date of Occupation.

26 Insurance

- 26.1** Until the Property has been registered in the Purchaser's name, the Seller shall insure the Property with an insurance company selected by the Seller against such risks and perils as the Seller may require and for such sums as the Seller may determine (subject to section 106 of the NCA). The premiums shall on request be paid by the Purchaser.
- 26.2** The Purchaser shall be entitled to request that the amount of insurance be increased provided the Seller pays the increase in premiums arising from the increase in the amount of insurance. The Seller will not be liable to the Purchaser or any other person for any omission, inadequacy or invalidity of insurance effected or procured in terms of this clause.
- 26.3** The Seller and any mortgagee shall be entitled to receive from the insurer all moneys payable from any claim arising out of the loss of or damage to the Property to the extent of their respective interests. Moneys so received shall at the discretion of the Seller and/or mortgagee be applied wholly or partially towards the restoration of the buildings on the Property on such terms and conditions as they determine or in reduction of the Purchaser's indebtedness hereunder.
- 26.4** Although not compulsory, the Purchaser acknowledges that it is to the Purchaser's benefit to obtain and have life assurance throughout the duration of this Contract, so that on the death of the Purchaser, the outstanding obligations under the Contract can be settled. An existing policy can be used or a new life assurance policy obtained through an insurer of the Purchaser's choice.

27 Statements of Account

The Seller is obliged, free of charge, not later than six (6) months from the Date of Signature and thereafter within thirty (30) days of the end of each successive period of six (6) months following the date of the first statement of account, to send to the Purchaser at the Purchaser's domicilium address, a statement of account drawn in accordance with the provisions of Section 16 of the ALA and Section 109 of the NCA. If the Seller fails to furnish the Purchaser with a statement of account after having received thirty (30) days written notice sent by registered post to furnish the statement, the Purchaser shall not be liable for the payment of interest in terms of this Contract until such time as the Purchaser receives the statement from the Seller.

28 Maintenance of Property

The Purchaser shall not make any improvements and/or additions to the Property without the prior written consent of the Seller. The Purchaser at all times shall maintain and keep the land comprised in the Property tidy and in good order and condition and shall keep all buildings and structures, piping, fences and other improvements on the Property in a good state of repair. The Seller or the Seller's duly authorised agents at all

reasonable times shall be entitled to enter upon and inspect the Property. If the Purchaser has failed to comply with the provisions of this clause, the Seller may at the cost of the Purchaser undertake the necessary maintenance or repairs to the Property.

29 Transfer

29.1 After the Date of Recording and when the Purchaser is in a position to pay the balance of the purchase price and take transfer of the Property (which shall not be later than the Repayment Date), the parties shall instruct the Conveyancers to attend to the transfer of the Property. The parties undertake to sign the transfer documents when called upon to do so.

29.2 The Purchaser acknowledges that:

- (a) The Property is not the subject of a separate title deed (*omit if not applicable*);
- (b) The latest date at which the Property shall be registrable in the name of the Purchaser is being a date not later than five (5) years from the Date of Signature. (*omit if not applicable*)
- (c) If the Property is not registrable by the date referred to in subclause (b) above, the Purchaser will be entitled to cancel this Contract and in such event, the provisions of Section 28(1) of the ALA shall apply as set out in clause 32 below. Alternatively the Purchaser may abide by the Contract, in which case the Purchaser shall not be required to pay interest from the date referred to in subclause (b) above until the date on which transfer is tendered by the Seller. (*omit if not applicable*)
- (d) The Purchaser shall not be entitled to transfer of the Property unless the purchase price has been paid in full and/or secured to the satisfaction of the Seller and all transfer and bond costs, if any, have been paid.

29.3 If the Purchaser has paid not less than 50% of the purchase price and if the Property is registrable, the Purchaser shall be entitled to demand from the Seller transfer of the Property on condition that simultaneously with the registration of transfer there is registered in favour of the Seller a first Mortgage Bond over the Property to secure the balance of the purchase price and interest owing in terms of the Contract. The conditions as to the rate of interest and redemption as well as other conditions of the Mortgage Bond shall not be more onerous than the conditions in this Contract. Failure by the Seller to tender transfer of the Property within three (3) months from the date of the demand by the Purchaser will entitle the Purchaser to cancel the purchase of the Property and invoke the provisions of section 28 of the ALA, as set out in clause 32 below.

30 Loan

30.1 If the Seller at any time arranges the Loan on behalf of the Purchaser, the Purchaser shall;

- (a) Within fourteen (14) days after the Purchaser has been requested by written notice sent to the address chosen as the Purchaser's domicile address, complete a Loan application form and provide all necessary information required by the intended Mortgagee for purposes of the Loan and furnish the Seller with the completed Loan application and information; and
- (b) Should the Loan be granted, forthwith sign all documents to facilitate the simultaneous registration of the Mortgage Bond with the transfer of the Property.

30.2 The Loan shall provide for payment of all amounts owed by the Purchaser to the Seller in terms of this Contract as well as the costs of transfer and the costs of registration of the Mortgage Bond. The Loan shall, as to the rate of interest and redemption, not be more onerous than the terms which at the time of transfer apply in respect of a loan secured by a first Mortgage Bond over Property granted by a registered bank for the amount in question and on the security of the same kind or class of Property.

30.3 If the Purchaser fails to comply with the provisions of this clause 30, the Seller shall be entitled to cancel this sale and the provisions of Section 28(1) of the ALA, as set out in clause 32, shall apply.

31 Costs

31.1 The Purchaser shall pay the costs of transfer including the costs of recording of this Contract, any subsequent cancellation of the recording, transfer duty (*omit transfer duty of seller is a Vendor*), the costs of negotiation and preparation of this Contract and a proportionate share of the rates referred to in clause 31.3 below. The Purchaser under-takes to pay the pro forma conveyancing account of the Conveyancers upon rendition thereof.

- 31.2** The Purchaser acknowledges that if the transfer duty reflected in Section R of the Schedule is not paid within a period of six (6) months from the Date of Signature, penalty interest will accrue on the transfer duty at the rate of 10% per annum. The Purchaser may through the Conveyancers pay the duty as a deposit.
- 31.3** The Purchaser acknowledges that for the Conveyancers to obtain a rates clearance certificate, it may be necessary to pay an estimate of future rates and of future utility charges to the Municipality. The amount stated in Section S of the Schedule is the annual amount of municipal rates on the Property. The Purchaser shall on request, pay the Conveyancers what they estimate to be the Purchaser's share of the rates. Should the Seller pay rates until the Date of Transfer, the Purchaser shall, on request, reimburse the Seller.
- 31.4** The Seller shall be entitled to raise and the Purchaser shall pay administrative or accounting fees and charges from time to time for the administration of the Instalments as provided for in the NCA.
- 31.5** If the Purchaser defaults on any payment obligation under this Contract, the Seller will levy (and the Purchaser will be liable to pay) default administration charges for each letter the Seller is obliged to write to the Purchaser in terms of the NCA. The charges will be equal to those payable for a registered letter of demand in an undefended action in the Magistrates' Courts Act, together with necessary expenses incurred in delivering the letter.
- 31.6** Should the Seller instruct an attorney to take action against the Purchaser arising from any breach of the Purchaser's obligations in terms of this Contract, the Purchaser shall be liable for and shall pay all such attorney's fees, including collection charges, as between attorney and own client.

32 Section 28 of the ALA

32.1 If either party elects to invoke the provisions of section 28 of the ALA, then:

- (a) Each party shall be entitled to recover from the other that which the party has performed under the Contract;
- (b) The Purchaser may recover from the Seller:
 - (i) interest at the prescribed rate on any payment that the Purchaser has made in terms of the Contract from the date of payment to the date of recovery; and either
 - (ii) reasonable compensation for necessary expenditure the Purchaser has incurred, with or without the Seller's authority, in regard to the preservation of the Property or any improvement thereon; or
 - (iii) reasonable compensation for any improvement effected by the Purchaser with or without the Seller's express or implied consent which enhances the market value of the Property
- (c) The Seller may recover from the Purchaser:
 - (i) reasonable compensation for the Purchaser's occupation, use or enjoyment of the Property; and
 - (ii) compensation for any damage caused intentionally or negligently to the Property by the Purchaser or any person for the actions of whom the Purchaser may be liable.

33 Debt Counsellor

If the Purchaser experiences difficulty in meeting repayments, the Seller invites the Purchaser to contact the Seller without delay. The Purchaser has the right to apply to a debt counsellor to be considered for an order to be declared over-indebted in terms of Section 86 of the NCA in accordance with the process set out in that Section.

34 Dispute Resolution

The Purchaser shall be entitled to:

- 34.1** resolve a dispute by alternative dispute resolution in terms of the NCA; and
- 34.2** file a complaint with the National Credit Regulator or the National Consumer Tribunal.

35 Special Conditions

The special conditions reflected in Section U of the Schedule shall be part of this Contract and the failure by any party to comply with any of those conditions shall constitute a breach of this Contract.

36 Breach

36.1 Should the Purchaser:

- (a) breach any of the terms and conditions of the Offer Letter and Quotation, or of this Contract including any annexures hereto; or
- (b) compromise or attempt to compromise with any of the Purchaser's creditors; or
- (c) be sequestrated or voluntarily surrender the Purchaser's estate,

then the Purchaser will be in default of the Purchaser's obligations under this Contract and all amounts owing under this Contract shall, after thirty (30) days of delivery of the notice referred to in clause 36.2 and without any further action by either party, forthwith be due, owing and payable.

36.2 If the Purchaser is in default, the Seller may give the Purchaser written notice (by hand delivery or by registered post) of such default and may propose that the Purchaser refer this Contract to a debt counsellor, alternative dispute resolution agent, consumer court or ombud with jurisdiction, with the intent that the parties resolve any dispute under this Contract or develop and agree on a plan to bring payments up to date.

36.3 If:

- (a) the Seller has given the Purchaser notice referred to in clause 37.2 above or the Seller has given notice to terminate any debt review process under Section 86 of the NCA which may then be under way in respect of this Contract; and
- (b) the Purchaser has been in default under this Contract for at least 20 (twenty) business days; and
- (c) at least 10 (ten) business days have elapsed since the Seller delivered the notice contemplated in clause 36.2 above; and
- (d) in the case of a notice in terms of clause 37.2 above, the Purchaser has not responded to that notice, or has responded to the notice by rejecting the Seller's proposal;

then the Seller may commence legal proceedings to:

- (a) enforce this Contract and recover legal costs and default administration charges from the Purchaser; or
- (b) cancel this sale; and
- (c) institute action for damages.

36.4 If the Seller in the same calendar year has handed to or sent to the Purchaser two notices at intervals of more than thirty days, the Seller may in any subsequent notice handed or sent to the Purchaser in that calendar year, make demand on the Purchaser to carry out the Purchaser's obligations within a period of not less than seven days calculated from the date on which the notice was handed or sent to the Purchaser.

36.5 Should the Seller cancel this sale as aforesaid, the Seller shall be entitled (subject to section 131 of the NCA) to retake possession and occupation of the Property and in addition the Seller shall be entitled either:-

- (a) to declare all moneys paid by the Purchaser to the Seller, including the interest thereon, or deposited in trust, including any interest earned on moneys deposited in trust with the Conveyancers, to be forfeited to the Seller and to recover all arrear instalments and other amounts due but unpaid at the date of cancellation. The Purchaser in such event hereby authorises the Conveyancers holding such moneys in trust to pay the moneys to the Seller; or
- (b) to claim damages the Seller may have suffered (subject to section 12 of the ALA) and to this end to re-sell the Property either by public auction or by private treaty in which event the Seller shall be entitled to retain all payments made on account of the purchase price by the Purchaser (and/or to receive all moneys, including interest, being held in trust on account of the purchase price, the Purchaser hereby authorising the Conveyancers to make payment of such moneys to the Seller, and to retain such moneys) until such time as the Seller's damages have been ascertained, whereupon the aforesaid payments made by the Purchaser shall be set off against the damages.

37 Domicilium addresses

37.1 The parties choose as their *domicilia citandi et executandi* for the service of notices given in terms of this Contract and legal processes the following addresses:

- (a) Seller: the address reflected in Section B of the Schedule
- (b) Purchaser: the address reflected in Section F of the Schedule

37.2 Any notice sent to the above addresses by prepaid registered post shall be deemed to have been received five (5) days after the date of posting. Alternatively a notice may be delivered by hand at the above addresses which will be the date of receipt by the addressee.

38 Jurisdiction

The parties consent in terms of Section 45 of the Magistrates' Courts Act of 1944 to any legal proceedings being instituted in the Magistrate's Court of any district having jurisdiction in respect of the Purchaser by virtue of the provisions of Section 28 (1) of the said Act. Notwithstanding such consent, the Seller shall have the option of instituting proceedings against the Purchaser in the High Court of South Africa unless the matter falls within the jurisdiction of the Magistrates' Court.

39 Conflict

Should there be any conflict between a clause of this Contract which complies with the ALA and a clause which complies with the NCA, the clause which complies with the NCA shall prevail.

40 Severability

The setting aside or suspension of any provision contained in this Contract shall not render the Contract void but instead the provision shall be severed from this Contract or altered by a court of competent jurisdiction (if it is reasonable to do so having regard to the Contract as a whole).

41 Variations

This Contract contains all of the terms and conditions of the agreement between the Seller and the Purchaser and is the whole and only contract between them. Save as otherwise provided in the NCA, no amendments to or variations of this Contract shall be binding upon the parties unless reduced to writing and signed by each of the parties.

42 Representations

The Purchaser acknowledges that the Purchaser has not relied upon any representations or warranties other than those contained in this Contract.

43 Indulgences

No indulgence, leniency or extension of time which the Seller may grant to the Purchaser in any way shall preclude the Seller from exercising the Seller's rights in terms of this Contract and shall not be deemed to be a waiver of the Seller's rights hereunder.

44 Consumer Protection Act

It is recorded that the seller is not selling the property in the ordinary course of his business and that the provisions of the Consumer Protection Act does not apply to this agreement.

SIGNED at _____ on this _____ day of _____ 2020.

AS WITNESSES:

1 _____

2 _____
(Signatures of witnesses)

(Signature of seller)

SIGNED at _____ on this _____ day of _____ **2020.**

AS WITNESSES:

1 _____

2 _____
(Signatures of witnesses)

(Signature of Purchaser)

SIGNED at _____ on this _____ day of _____ **2020.**

AS WITNESSES:

1 _____

2 _____
(Signatures of witnesses)

(Signature of Agent)