

AGREEMENT OF SALE **between**

The Contracting Parties

GARDEN CITIES Incorporated Association Not for Gain

Address: 50 Louis Thibault Ave, Edgemean;

Telephone 021 558 7181

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Contact: The Unit Manager

info@gcinc.co.za

(In this document called "**the Seller**" or "Garden Cities")

And

I/we _____ (NAME OF PURCHASER)

_____ (INCOME TAX/VAT NUMBERS)

of _____ (ADDRESS)

(In this document called "**the Purchaser**")

The Unit, Payment & Transfer

[What follows is a legal description of the unit that must comply with the Sectional Titles Act for deeds office purposes]

The Seller sells and the Purchaser purchases the Sectional Title Unit as described in the annexures hereto and as shown on Sectional Plan No in the scheme known as "**CAPSTONE GARDENS**" in respect of the land and building or buildings situate at **Edgemean** in the City of Cape Town, together with 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 and registered in the Deeds Office, namely:

IMPORTANT!: (this is the formal deeds office description that may differ from the unit number on the door)

			ALLOCATED AREAS	ALLOCATED AREAS	ALLOCATED AREAS	ALLOCATED AREAS
UNIT	Flat	Garage	Open Parking	Patio	Yard	Storage
Number						
Section						
Extent						
Levies/month						

that will be built as shown on the Sectional Plan and specified in Annexure "A". (A unit consists of all the sections, exclusive use areas and the right to access and use the common property. In this document it will be called the "Unit" or the "Flat"). The following conditions apply to this agreement:

Purchase Price

1. The Purchase Price is the sum of R _____ (_____
_____ RAND) INCLUDING VAT and shall be paid in full (without any deduction or claim by the Purchaser) on or before date of registration, as follows:
 - (a) Deposit: R _____ (_____ RAND) of five percent (5%) of the purchase price upon signature of this document.
And
 - (b) Balance: R _____ (_____ RAND) to be paid from a bond or in cash on registration of transfer.
And
 - (c) From the first day of the month in which the Seller completes the house or when registration of transfer occurs, the Purchaser must every month pay the Sectional Levy of R _____ per month. **This is the date of occupation, but does not mean that the Purchaser automatically receives the keys to the unit.**

Upon demand, the Purchaser shall pay an amount of R _____ to the Seller's conveyancers. This amount is not a deposit, but a pre-payment of the Purchaser's share of municipal services and rates, three months of advance levies and other costs. The Purchaser will not receive interest on it. If any money remains after registration of transfer, the conveyancers will repay it to the Purchaser as soon as possible.

No Levies Payable by Garden Cities

2. Garden Cities as developer and owner of unsold and unregistered units within the Scheme will not pay levies to the Body Corporate unless a unit is unsold and let to lawful occupants by Garden Cities.

Transfer

3. The Seller's Conveyancers will transfer the Unit and (if applicable) register a mortgage bond over the Unit on or about _____, or as close as practically possible to the Date of Possession in clause 23. This can only happen when the Purchaser has signed the Acceptance Letter after the Purchaser has had the keys to the Flat for **at least ten business days** as noted in clause 24(a). The Purchaser must sign all transfer and bond documents at the offices of the Seller's Conveyancers, within **five business days** after the Seller's Conveyancers ask the Purchaser to do so. This will apply even if the Purchaser or the person who must also sign is outside South Africa or not available in Cape Town at that time. The conveyancers must lodge a transfer duty receipt, stamped by SARS, in the deeds office. This means that the Purchaser must answer any queries or do whatever SARS may ask, **including to register as a taxpayer**. If the Purchaser does not do so within **five business days** after the Conveyancers ask the Purchaser to do it, the Seller may treat it as a breach of this contract and cancel this contract.

SARS treats a property transaction as a tax checkpoint. SARS therefore does not allow any processing of transfer duty receipts without the income tax numbers of all purchasers as well as a statement of use of property. **The Seller will NOT accept any offer to purchase without the income tax number (or VAT number for corporate purchasers).**

Sale Subject to a First Mortgage Bond

4. (a) If the Purchaser needs a mortgage bond over the Unit to pay the Purchase Price, the Purchaser must, **within ten business days** after the Seller has signed this document, confirm the bond. This is done by handing a quotation and pre-agreement statement for a bond for at least R _____, to the Seller's Conveyancers. The quotation must be by a South African bank and the Purchaser must accept it as specified in the National Credit Act ("NCA"). Any bond conditions that the bank lays down must be acceptable to the Seller. If the Purchaser does not meet this deadline, the Seller can cancel this Agreement of Sale. The Seller relies on the approval of a bond and the conditions imposed by the bank when it decides to accept this offer to purchase. The Seller will therefore only accept bond applications submitted by representatives approved by the Seller. If the bank changes the bond or its conditions in any way unfavourable to the Seller, it may treat it as a material breach and the Seller may then cancel this transaction without further notice to the Purchaser.
- (b) If the bank withdraws the bond because of any change in the financial position of the Purchaser or the Purchaser's ability to pay the bond instalments, the Seller may treat the withdrawal as a breach of this contract. The Seller may then cancel this transaction after **five business days notice** and the Purchaser must pay the loss, damage and wasted costs of the Seller and its representatives.
- (c) The Seller must cancel this transaction if at any time it becomes clear that the Purchaser cannot afford the transaction, or will overreach himself/herself, or will incur excessive debt that the Purchaser will not be able to service. **[National Credit Act 34/2005]**

The Seller STRONGLY recommends that the Purchaser uses the same transferring attorneys to also register the bond. This is because all sections and bonds in each phase must be registered in one batch. If the Purchaser's bond causes any delay, the entire batch is delayed. **In such an event, the Purchaser's Unit will not be transferred in the batch.** The Unit can then only be transferred when the title deed is made available again by the deeds office. This usually takes about eight to ten weeks. **The Purchaser must pay the full occupational interest without discount [clause 23(b)] plus any costs incurred by the Seller.**

Bank Guarantee

5. When the Seller's Conveyancers ask for it, the Purchaser must within **five business days** give a **Bank guarantee** or other document acceptable to the Seller for the payment of the balance of the purchase price on registration of transfer. **A letter from the bank confirming funds on deposit is NOT acceptable.** If the Purchaser does not give a bank guarantee, the Purchaser must pay the balance purchase price in trust with the Seller's Conveyancers who will invest it until registration of transfer. The Seller agrees to sell the Unit because the Purchaser says that he/she will have the money to pay the full balance purchase price and costs as soon as the Conveyancers ask for it.

Transfer Costs

6. The Seller must deliver the Unit (that is, transfer into the name of the Purchaser) at its cost on the agreed date and within a reasonable period **[CPA S19]**. In order to achieve this, the Seller will appoint and pay the fees of competent conveyancers to register the transfer. Such costs **exclude** bank costs, advance municipal rates and other fees and costs linked with the Purchaser and that he/she must pay in any event. If the Conveyancers must do additional work due to the circumstances of the Purchaser and that is not required in normal transactions, the Purchaser must pay all the additional fees and costs of the Conveyancers. (For example, if the Purchaser signs documents outside the Republic of South Africa, or if the Purchaser nominates another purchaser in its place [such as a company, close corporation, or trust not yet registered], or if transfer is delayed by the Purchaser or his/her bank.)

Sale Subject to Conditions

7. The Sellers sell the Unit subject to the conditions in the title deed and in previous deeds of title and in the Sectional Plan of the Unit. All of this is public knowledge and the Purchaser can access it in the deeds office and at the Surveyor General. The Seller will not be liable for any shortfall in the size of the Unit or change in participation quota if it is resurveyed.

NB: Also refer clause 34 hereunder (restriction against resale and Body Corporate).

Transaction Subject to Sale of Other Units in the Development

8. Garden Cities may delay the start of building work until it has sold enough units in the development to ensure financial viability, effective security and a core community of residents. **Garden Cities may suspend or cancel the entire development unless at least 15 (Fifteen) units have been sold by 31 March 2011** or a later date that may be reasonable. If Garden Cities cancels the development (and therefore this transaction) it shall immediately reimburse the Purchaser with all monies that the Purchaser previously paid.

Signing and Acceptance

Signing on Behalf of Another

9. This transaction will not be valid until two senior authorised officials of Garden Cities sign it. Any person who signs this document on behalf of the Purchaser hereby **warrants** (that is, he/she cannot afterwards say it is not so) that he/she is properly authorised to do so. **The person signing this document is responsible to fulfil the conditions (including payment of the Purchase Price and costs)** on behalf of the Purchaser, even if the Purchaser cannot or will not do it. A person must sign on behalf of a company, close corporation or a trust that purchases a Unit. The person signing this document **warrants** (that is, he/she cannot afterwards say it is not so) that the company, close corporation or trust is already registered in South Africa and can take transfer of the Unit within **twenty business days** after signature of this document. In other words, all the official papers must already be in place and must be available when necessary.

Making this Transaction Unconditional

10. If the Seller receives another offer from any other purchaser who appears to be willing and able to purchase before all the suspensive conditions of this contract (that is, everything that the Purchaser must do before the transaction becomes final) have been fulfilled, the Seller may notify the Purchaser in writing. The Seller may then ask the Purchaser to make this Agreement final and unconditional (for example, by agreeing that this transaction is not subject to the prior sale of the Purchaser's existing house). The Purchaser must then, **within three business days** after receiving such notice confirm in writing to the Seller that the suspensive conditions no longer apply and that it purchases the Unit unconditionally. If the Purchaser does not do so before the deadline, the Seller may cancel this Agreement in writing and sell the Unit to that other purchaser.

(The Seller does not have to accept any change in the bond that the Purchaser received to make the transaction possible. The Purchaser must furnish written proof to satisfy the Seller that he/she can pay the full balance purchase price and costs of this transaction against registration of transfer.)

Twenty Business Days to Fulfil Suspensive Conditions

11. The Purchaser and his/her bank must fulfil all the suspensive conditions and sign the necessary transfer documents. The Purchaser must also satisfy the Seller that the arrangements are in place to pay all monies due (that is, the balance of the Purchase Price, costs and any other amount that must be paid to make registration possible) **within twenty business days** after the Seller has signed this document. Otherwise, the Seller may cancel this transaction without further notice to the Purchaser.

Cooling Off Period

12. The Purchaser is entitled to cancel this agreement within **five business days** (excluding Saturdays, Sundays and public holidays) after both parties have signed this document. This can be done by giving the Seller or its representatives written notice. **Within ten days** after handover, the Purchaser may also return the keys and cancel the sale if the Unit is seriously defective, unfit to live in or differs so much from the specification or plan that it is unacceptable to a reasonable person.

Explanations & Definitions

Headings and Meanings

13. The headings in this Agreement of Sale are only for reference purposes and do not change the meaning of the clause(s) under that heading. Days are counted as business days. That is, Saturdays, Sundays and public holidays do not count.

Entire Agreement

14. In terms of the Alienation of Land Act, all important conditions in a deed of sale must be in writing. This document (with the annexures) forms the agreement between the parties and nobody can say that it has been changed or is not in force unless it is done in writing and signed by the Purchaser and Garden Cities.

If anything is important in this transaction or was mentioned or indicated and is not already recorded in this document, it must be added in Clause 42 below, otherwise it will not be regarded as important and it will not change or affect any clause or condition in this document. This applies to both the Purchaser and to Garden Cities.

No Rights Given Up

15. The Seller or the Purchaser cannot say that the other has cancelled, or may not use, any of its rights in this document because it previously granted an extension of time or did not immediately force the other party to keep strictly to this agreement.

Chosen Address (in legalese called: *domicilium citandi et executandi*)

16. For purposes of this Agreement, the Purchaser chooses his/her delivery and service address at _____ until the Purchaser receives the keys of the Unit. Thereafter it will be the address of the Unit, where Garden Cities may post or deliver all documents and notices in connection with the Unit or this contract. (In other words, Garden Cities and any court may assume that the Purchaser will receive mail or documents delivered to this address.)

Absentee Owner

17. If the Purchaser accepts the keys but thereafter at any time allows anyone else (such as a tenant or friend) to live in the Unit, the chosen address of the Purchaser will still be at the Unit as stated in clause 16. The Purchaser shall be responsible to the Seller and to the Body Corporate for the conduct of the tenant(s) or occupant(s) of the Unit.

Breach of Contract

Breach**18. By the Purchaser**

- (a) The Purchaser must produce the guarantee referred to in clause 5 **within five business days** after the Seller's Conveyancers ask for it. The Purchaser must also comply with all the conditions in this document within **five business days** after written demand, otherwise the Seller may cancel this contract without any further notice to the Purchaser. The Seller can then also claim damages (such as repairs to the house or the loss of rental when the house stands empty) caused by the breach of contract. The Seller may deduct all costs and expenses (including occupational rental) that the Seller suffers because it signed this contract with the Purchaser, from any amount that the Purchaser has already paid.

(b) By the Seller

If the Seller does not produce the materials or finishes as specified and on time and as per the specifications and plans, the Purchaser may treat it as a breach of the contract. The Purchaser may then:

- (i) Cancel the contract, and the Seller must then as soon as possible pay back to the Purchaser whatever he/she has already paid **[S20, 56]**;
or
- (ii) Negotiate a remedy, such as a later occupation date or alternative materials, and with or without a discount or contribution, in proportion to the severity of the problem;
or
- (iii) If the Unit is entirely unacceptable, **within ten business days** after handover (but before the Purchaser has signed the Acceptance Letter,) cancel this transaction. This is done by giving written notice to the Seller and handing back the keys. The Seller must then pay back all monies already paid by the Purchaser, less any costs or loss that the Seller suffered (such as special items provided, repairs to damaged floor or tiles, or loss of rental until another purchaser can move into the house.) **[S20(5)]**

Completion & Handover

Finishing Schedule

19. The Seller will within a reasonable period after signature of this document request the Purchaser to choose the tiles, carpets, wall paint colours, cupboards and other finishes from the range made available by the suppliers from time to time. The choice is always subject to the materials available at that time and which the suppliers say will be in stock and available when required. Sometimes, through no fault of the Seller or its suppliers, a product may become unavailable (for example, at the end of a product range or because of changes in the production materials or processes). The Seller shall then ask the Purchaser to choose an alternative from the products then available. It must be of the same or higher quality than what the Purchaser previously selected. Should the Purchaser not be available after **five business days notice** by the Seller, Garden Cities may be forced to select on behalf of the Purchaser in order that the completion date is not delayed. If the colours and finishes are so important to the Purchaser that the alternative materials are unacceptable, the Purchaser may choose to omit the particular material as a variation (and install it himself/herself after handover.) Otherwise the Purchaser may cancel the contract in terms of clause 18.

The CPA requires that the Seller must order and purchase items that the Purchaser chooses from the list of finishes. The Seller must spend money to purchase and store these items. If the Purchaser changes his/her mind or cancels the transaction, the Seller will suffer loss. **The Purchaser must pay the Seller for any such loss when the Purchaser changes the finishes or if the transaction is cancelled on account of the Purchaser.**

Extras & Omissions

20. The Seller may (but cannot be forced to,) allow omissions from the plan or schedule so that the Purchaser can substitute alternative materials or products [**S13 (1)**]. The Seller may then withhold any credit for the omitted items and pay the balance credit (if any) only when all such work is complete. The Seller must be satisfied with the finished work and the Seller must then immediately pay any balance to the Purchaser. Any bank that has granted a mortgage bond over the Unit, must also be satisfied before payment can happen.

Minor Variations

21. Faultless building standards are not always practically possible. The Seller must complete the house and other building work according to the plan and specifications, and also to a standard acceptable to the NHBRC, to the municipal building inspectors and to the bank building assessors. Minor variations and deviations from the dimensions and standards specified may then still be practically unavoidable. The Seller must in any event build the house and remedy all major defects in the completed house and of a standard not lower than as specified or as displayed in samples. This is enforced by the CPA and the NHBRC in terms of the Housing Consumers Protection Measures Act 95/1998.

Builder in Control of Unit

22. The Seller will appoint a competent contractor to build the Unit. The contractor will then have sole possession and control of the Unit until completion and handover. The contractor will also be responsible for the safety of the public in terms of the Occupational Health and Safety Act 85/1993 and other laws. The Seller and the contractor must therefore apply the following:
- (a) No other contractors or subcontractors may enter the Unit without the express prior consent in writing of both the Seller and the contractor.
and

- (b) No omissions, additions or other changes to the specifications or the plans may occur without the written consent of the Seller.
and
- (c) Nobody (not even the Purchaser) may visit the Unit before completion (that is, while it is built) without the prior written consent of the Seller. The Purchaser must make an appointment and **accept the risk to the Purchaser and other people in his/her group. For example, if you fall into a trench, you cannot blame Garden Cities or the contractor.** Everyone must wear a hard hat and sturdy shoes on the building site. The Purchaser must indemnify the Seller and the contractor against any claim that may occur because of anything that happens on the building site to the Purchaser or other person in his/her group. The indemnity will not apply if the negligence or wrongful conduct by Garden Cities, the contractor, its employee or representative causes the problem. Site visits can only happen after completion of the "wet" trades (that is, brickwork, plaster, paint and tiling) but before snagging starts (that is, checking the building work and finishes). **Only three site visits are allowed.**
and
- (d) Garden Cities sells a Unit that will be completed at a future date and the Purchaser does not have a right to visit the Unit before it is handed over. Garden Cities and the contractor allow site visits as a courtesy to the Purchaser to plan and prepare for moving in after handover. Garden Cities, the contractor or the representatives will not allow a site visit without prior notice. Garden Cities will prohibit access to the site if there is a good reason for it, such as risk of injury to visitors.
and
- (e) The Purchaser (or anyone on his/her behalf) may not give any instructions or requests to the building contractor or any of the workmen, because the proper communication channel is to work through Garden Cities' representatives.

Date of Possession

23. This is the date when the Seller completes the Unit fit for occupation by the Purchaser. The Seller may request the Purchaser to advance or postpone this date if factors beyond the control of the Seller cause a delay. The Seller must give **at least one month notice** to the Purchaser. Unless the Purchaser accepts the house earlier by signing the Letter of Acceptance, the Seller will give the house keys to the Purchaser on _____ 20 ____ or as close as practically possible thereto. From this date, the Seller may transfer the Unit to the Purchaser, and:
- (a) The Purchaser shall carry the risk (that is, any loss, damage or cost) of the Unit and the Purchaser must pay all rates and levies for the Unit.
and
- (b) Until date of transfer the Purchaser must pay occupational rental equal to 1% (one percent) of the Purchase Price, namely R _____ (_____ Rand) per month or a proportionate part thereof for a part of the month. The rental must be paid on or before the first day of that month. The Seller will reduce this rental to R _____ (_____ Rand), for the **first month**, starting on the date of possession, but only if the Purchaser does not cause any delay. If the Purchaser causes any delay, he/she must remedy it within **five business days** after the Seller asks the Purchaser to do so, otherwise the Seller will not allow the reduced rental.
and
- (c) If the Purchaser does not collect the keys on the agreed date and does not cancel the sale as set out in clause 8, he/she must still pay the occupational rental from the date of possession. This is because the Seller delivers the Unit on time in terms of this contract.

Occupation and Handing over of Keys

24. The handing over of the Unit keys is a legal event where the Purchaser is put in control of the house. It is called **Occupation** and nobody can evict the Purchaser from the house after Occupation without an order of court. The Seller will not hand over the keys and may deny access to the Unit before the balance purchase price has been paid or secured (that is, guaranteed by a bank who granted a bond or that holds the money) as set out in clause 5. If the Unit has been completed and the Seller withholds the keys for any valid reason, the Purchaser must still pay the levies and occupational interest (that is, rental) as per clauses 1(c) and 23(b)). The Purchaser must personally attend the Unit for the handing over of keys in order to inspect the Unit. If the Purchaser cannot attend, he/she may ask the Seller to appoint an architect to inspect the Unit and accept the keys on behalf of the Purchaser, whereafter levies and occupational rental in terms of clauses 1(c) and 23(b) shall be payable. In terms of the CPA, the handing over procedure happens in two stages:
- (a) When the Purchaser receives the keys, a reasonable **inspection period of ten business days** starts **[S20 (2)]**. During this period, the Purchaser may give the Seller written notice that he/she cancels the transaction because the house is **so unsuitable or differs so much from the plans and specifications, that the Purchaser will not accept it**. The Purchaser must then give back the house (that is, the keys) and move out and the Seller must as soon as practically possible pay back all monies previously paid by the Purchaser. The Seller may deduct the costs of extras or changes specifically requested by the Purchaser. The Seller may also deduct the costs of any loss or damage caused by the Purchaser (such as damage to the floors or cupboards, or loss of rental until another purchaser occupies the house);
or
 - (b) Within **three months after Occupation**, the Purchaser must give the Seller the snag list of all minor items (such as a loose tile, a sticking door or other problems that appear when the Unit is occupied). The Seller must then within a reasonable time make an appointment and fix these items free of charge.

A new sectional title unit can only be transferred when the municipality has issued an occupational certificate for the ENTIRE BLOCK (OR PHASE). This means that the Purchaser may receive the keys and occupy the unit before registration of transfer is possible. The Seller reserves the right to extend the Scheme in phases. This will make it possible to transfer a smaller block of units at a time, with less delay between occupation and registration of transfer.

Use of the Unit

Cession (Passing on) of Rights to Body Corporate

25. Garden Cities may at any time cancel any of its rights stipulated in this document, or cede (i.e. pass on) such rights to the Body Corporate. Garden Cities will cede or (if the Body Corporate does not or cannot do it,) cancel its rights and duties created in this document. This will happen when it is clear that the Body Corporate is functioning properly and that the owners can manage it themselves. (In other words, Garden Cities will help the owners to set up and manage the Body Corporate until they can do it on their own.) **A copy of the Body Corporate Management & Conduct Rules is handed to the Purchaser when this document is signed.**

Consent to Transfer

26. The Purchaser must get the written consent of the Body Corporate (**also see Clause 34(a)**) when it sells this Unit and the next owner must also get consent if it in turn sells the house. The deeds office will not transfer the Unit without these consents. In order to get the consents, the Purchaser completes and signs a Consent Form (get it from the Body Corporate) and sends it to them. The Body Corporate will give the consent if it is satisfied that:

- (a) the owner of the Unit has done everything that it must do in this document;
and
- (b) the next purchaser has signed the Application for Consent Form and Annexure (get it from the Body Corporate). The Application for Consent Form will have conditions similar to the conditions in this document. It may (for example) require that the next purchaser must agree to conditions similar to what are in this document (that is, the Agreement of Sale).

Approval for Alterations and Building Work

27. The Purchaser may not alter, add, demolish, decorate the exterior, or reconstruct anything on the Unit, including the exterior walls and fences, without the written approval of the Body Corporate (or an Architect appointed by it), and also of the City of Cape Town, for all building plans. The Body Corporate may refuse to approve anything that is unsuitable for, or will cause nuisance or disturbance in, the Scheme.

The Body Corporate may appoint an architect to look at the plans. The applicant (that is, the owner) must first pay his fees (currently R300,00 plus VAT per application or per inspection). The Architect may increase the fee to R1000,00 plus VAT if he/she receives the plans only after the start or completion of the building work. If the changes are major (such as additional rooms or increased height), the Architect will inspect the work at roof height stage and after completion to make sure that everything is according to the plans.

Residential Purposes Only

28. The Unit may be used only for residential purposes (that is, as a dwelling for a single family to live in). Nobody may use it for a business or home industry unless the City of Cape Town and the Body Corporate both first approve in writing. They may refuse if the business or home industry will be too noisy or will be a nuisance for other residents in the area. Nobody may do or allow anything to be done on the Unit for which a license or permit (e.g. a liquor licence) is necessary, unless the Body Corporate first agrees in writing.

Protection of Trees and Maintenance of Gardens

29. The Purchaser must care for all planted trees on the Unit and on the Exclusive Use Areas and may not remove or kill any tree unless the Body Corporate first agrees in writing. The Purchaser must also keep its garden neat and tidy. The Body Corporate will maintain the common areas in the Scheme. The cost of such work is included in the levies that the Purchaser must pay to the Body Corporate.

Maintenance of Unit

30. The Purchaser must keep the Unit and all buildings, outbuildings, walls, fences, garden gates and any other structures neat and tidy. Where Garden Cities has installed drainage or stormwater pipes on the Unit, the Purchaser must maintain it and always ensure that the pipes are not blocked. By law, the Purchaser shall be liable for any damage to the Unit or to any neighbouring Unit caused by blocked pipes in/on the Unit.

Building Work in Progress and Future Development

The Unit is sold as one unit in a phased development still in progress. This means that:

- 31.1 Building work near the Unit will continue for some months or even years.
- 31.2 Various subcontractors and specialists will have access to the area during such building work.
- 31.3 Noise, dust and nuisance from such building activities will in some cases be unavoidable.

- 31.4 The Seller and the contractor will appoint security guards to monitor the building site and adjacent properties, and will take steps to protect the area, but the Seller or the contractor cannot guarantee the safety or security of persons or units in the area. The Purchaser must always be vigilant and must take reasonable steps, such as a resident in any other township would take, to ensure his/her safety and security in and around the Unit.
- 31.6 The Seller will from time to time apply for rezoning and/or approval for further development of vacant erven in the area, such as (for example) high-density housing, schools, business centres, crèches, offices, filling stations and other amenities usually found in housing suburbs.

The Purchaser agrees that it shall not at a late stage object to, appeal against, or otherwise delay any application for future development unless there are valid reasons that the Purchaser shall already have communicated to the Seller before it published notice of such application. (This is necessary so that the rest of the development will not be delayed)

Factors Affecting Ownership

Electrical Fence

32. The Seller will erect an electrical perimeter fence (including camera surveillance if applicable) around the Scheme. The Body Corporate will control the fence. Therefore:
- 32.1 The Seller will register a 1,0 meter wide security and services servitude with right of access in favour of the Body Corporate. The servitude will be parallel to and along the entire rear boundary (bordering on the electrical fence) of every unit or section on the boundary of the scheme. No plants or objects that may touch or interfere with the electrical perimeter fence may intrude into the said servitude area.
and
- 32.2 The Purchaser shall ensure that no animals, plants or other objects on the Unit will come or be close to the electrical fence. This is necessary to prevent interference with its operation, or false alarms, or putting perimeter security at risk.
and
- 32.3 Should anything on the Unit still cause repeated problems or false alarms, the Body Corporate may give notice to the Purchaser to remove the problem. If the Purchaser does not promptly remove the cause, the Body Corporate or its contractors may without further notice enter the Unit and eliminate the problem. This is necessary to make sure that the fence works properly for the benefit and safety of its members. Should the Purchaser be at fault, the Body Corporate can recover the costs of repair from the Purchaser.
and
- 32.4 The electrical security fence is intended to provide security for the Body Corporate and its members. The Purchaser must pay his/her fair share of the cost and do his/her part to make the fence work properly.
and
- 32.5 The electrical security fence is intended to discourage intruders and criminals from entering the Scheme. The fence must also conform to safety standards and regulations. **The fence may cause electrical shock and pain or even injury to anyone (including children) who touches the fence or comes close to it. The Purchaser cannot hold anyone responsible if he/she or his/her family or guests come too close to the fence and get shocked.**
and

- 32.6 During building work Garden Cities or the Body Corporate may from time to time dismantle or reposition temporary or permanent fences, whether electrified or not. This may be necessary for security or access control purposes within or about the Scheme.
and
- 32.7 Nobody can guarantee that intruders cannot enter, or that crime will not happen, inside the Sectional Scheme area. The Purchaser always in the first instance remains responsible for security on the Unit. From time to time it will be necessary to dismantle or open the fence, or to cut the power to the fence. This is necessary for maintenance or repairs, or as a result of wind or storm damage or other unforeseen events that the Body Corporate cannot control.

Title Conditions

33. The following special conditions imposed by Garden Cities in its favour or in favour of the Body Corporate, as the case may be, may (but do not have to) be registered against the title deed of the Unit, namely:

Restriction on Alienation

- (a) This Unit may not be sold or transferred in any way without the written consent of the Body Corporate.

No Home Industry

- (b) The owner of this erf may not conduct any business or a home industry or allow same on the Unit without the prior written consent of the Body Corporate.

Restriction against Resale

34. The Purchaser may not without the written consent of Garden Cities sell the Unit within one year after registration of transfer. If Garden Cities furnishes such consent, it will be entitled to specify (for example) the estate agents who may (or may not) market the Unit, the manner and the price at which the Unit may be marketed, and to forbid the use of "For Sale" boards within the Development or that the Unit may be put "On Show". This restriction is necessary to prevent speculation, interference with, or undermining of, the marketing and sale of other newly built units within the remainder of the development.

The Body Corporate

Body Corporate

- 35.1 The Body Corporate comes into existence upon the first transfer of any Unit in the Scheme.
- 35.2 The owners must appoint the Trustees and Managing Agents at the first general meeting of the Body Corporate. Until then the Seller controls the Body Corporate. The Seller may appoint the Managing Agent to manage the Body Corporate on its behalf. The Seller is entitled to appoint the first Managing Agent. Such appointment shall be binding on the Body Corporate for a period of one year reckoned from the first general meeting of the Body Corporate. **The Purchaser hereby grants to the Seller the power to make such appointment.**

Management & Conduct Rules

36. The Purchaser must become a member of the Body Corporate established in terms of the Sectional Titles Act 1986. The Purchaser is subject to the registered Management and Conduct Rules. The Purchaser cannot resign from the Body Corporate while being the owner of a Unit. The Purchaser must pay the levies to the Body Corporate as from the date of occupation. Where applicable, the Body Corporate may allocate patio areas or other usable areas adjacent to a unit as an exclusive use area to that unit.

Tie Condition

37. The Flat, the Garage, Parking Bay (if applicable), Patio (if applicable), Yard (if applicable) and storage room (if applicable) are sold as one linked Unit. One component may not be sold or transferred without the other. This condition will be recorded in the title deed of the Unit.

Individual Rating of Unit

38. The City of Cape Town rates sectional title units individually. Delays occur and it may take several months or even years before the City of Cape Town values the Unit. **This may result in the Purchaser receiving a very large rates account sometime after registration for “arrear rates” (ie. rates owed from date of occupation but not yet billed).** The purchaser must make adequate provision for the payment of rates on a monthly basis from date of occupation so that when the Unit is rated and billed, the Purchaser will be in a position to pay same. Alternatively, the Purchaser should take this up directly with the City of Cape Town.

Extension of Scheme

39. The Seller may reserve the right **[Section 25 of the Sectional Titles Act]** to extend the scheme (in one or more phases) at a future date. Building work may continue in the vicinity of the Unit after occupation by the Purchaser. Sectional Title Units must all be registered in one phase when all units in that phase have been completed. This can only happen after the City of Cape Town has issued Occupation Certificates for all units in that phase. The transfer of the Unit in the name of the Purchaser may as a result be delayed for some weeks or months after the occupation date.

Common Services

40. In a sectional title scheme, certain services or access to such services are shared between several owners. The Purchaser must therefore protect, and not interfere with or damage, any ducts, pipes, cables, wires and other services. This applies whether or not such service is connected to the Unit of the Purchaser, or crosses any part of the Unit. If the Purchaser (or its guest, dependant, occupant or tenant) interferes with any service, another owner or occupant of a unit, or the Body Corporate, may suffer damage or loss as a result. The Purchaser must then pay for the cost of the damage or loss caused by the interference.

Complying with FICA

Financial Intelligence Centre Act 38/2001 (FICA)

41. The estate agent, the attorney and the bank involved in this transaction must all obtain certain information from the Purchaser and report it to the Financial Intelligence Centre (FICA). Failure to do so carries a penalty of a jail sentence or a fine of up to R10million. The Purchaser must therefore provide all information and documentation required in terms of FICA to the attorney upon request. Such information may include:

- proof of identity;
- proof of residential address (e.g. a rates account, TV or car license, tax return or bank statement);
- income tax number;
- proof of the source of any funds other than from a bank loan (mortgage bond) from which the balance purchase price and/or the monthly bond instalments will be paid.

If the Purchaser does not promptly furnish the required information and documentation within seven days after requested by the attorneys, the Seller may treat it as a breach of this agreement and take steps as stated in Clause 18(a) of this document.

Have Your Say

Additional Conditions and Important Factors

42.1 The Purchaser or the site representatives or persons connected with Garden Cities mentioned the following in relating with this transaction:

[This must be in the Purchaser's own handwriting!]

.....
.....
.....
.....
.....
.....

42.2 The following is relevant to this transaction or important to the Purchaser:

[This must be in the Purchaser's own handwriting!]

.....
.....
.....
.....
.....
.....

The representatives assist the Purchaser only with information and advice on completing this document. **The representatives MAY NOT agree on extra conditions or variations. No extra condition or variation to the document will be valid UNLESS it is written in the space provided above AND signed by two officials of the Seller. [Alienation of Land Act 68/1981]**

DATED at _____ this _____ day of _____ 201 _____

AS WITNESSES:

1. PURCHASER

2. PURCHASER

DATED at EDGEMEAD this _____ day of _____ 201 _____

AS WITNESSES:

1. SELLER

2. SELLER

FUTURE DEVELOPMENT

- I/we have seen the proposed future development plans of the Edgemead Township.
- I have no objection to the proposed rezoning, subdivisions and developments.
- I still wish to proceed with this transaction.

USE OF PROPERTY

- I/we declare that the intended use of the Unit is: (tick one block)
- Primary residence
 - Secondary residence
 - Other (specify, e.g. investment)

Purchaser

Purchaser

Sectional Plan	A
Specs	B
Amendments to Management Rules	C
Conduct Rules	D
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ADDENDUM

(for "Subject to" transactions)

If the payment of the purchase price of the Unit comes from the proceeds of the sale of other house that the Purchaser must still sell, the following shall apply:

- I. The representative does not have to give this offer to purchase to Garden Cities, nor does Garden Cities have to sign or accept the offer. The representative may hold this document back until the Purchaser has UNCONDITIONALLY sold his/her property at
If the Purchaser has not sold that property within two months after signing this document, or if the Occupation Date is less than three months away, clause V (see below) shall come into effect.
- II. The Purchaser shall before the deadline mentioned above hand to the representative a copy of the deed of sale to prove that his/her property has been unconditionally sold;
- III. Before it signs this document Garden Cities may ask for security or proof that the proceeds from the sale of the Purchaser's other house have been secured and will be available to pay the balance purchase price and costs for registration of transfer of the Garden Cities Unit in the name of the Purchaser;
- IV. Clause 10 in the main agreement ***[Making this Transaction Unconditional]*** shall apply from date of signature of this document by Garden Cities until all the Purchaser has met all the suspensive conditions of this transaction and furnished all guarantees or security asked for by Garden Cities;
- V. If the Purchaser does not sell his/her other house successfully and unconditionally before the expiry date in clause I (see above) on this page, this offer to purchase shall lapse and Garden Cities will no longer reserve the Unit and will not notify the Purchaser before selling the Unit to any other purchaser.