

PURCHASE/SALE AGREEMENT

CONVERSION OF RENTED ACCOMODATION INTO HOMEOWNERSHIP

MEMORANDUM OF AGREEMENT

MEMORANDUM OF AGREEMENT made and entered into by and between

THE MUNICIPALITY OF VICTORIA FALLS
(hereinafter called the "**Seller**")

AND

.....
National Registration No.....

Phone &/Mobile No: E-mail address:

(hereinafter called "the **Purchaser**").

WHEREAS the Municipality owns the land and a dwelling (which together are hereinafter called "the property") thereon and the Purchaser is desirous of purchasing both the land and a dwelling on stand No. Chinotimba Township of Victoria Falls Township Lands.

NOW THEREFORE THESE PRESENTS WITNESS

1. The Municipality hereby sells and the Purchaser hereby purchases stand No..... Chinotimba Township, measuringm² at a price of \$..... (.....dollars) with payment as provided in 16 hereof. The price figure includes land, homeownership fee, administration, and 15% VAT fees.

2. In consideration of Municipality having agreed to sell the property on the said stand the Purchaser agrees to pay the Municipality the sum of \$..... (.....dollars) as more as fully provided hereunder.

3. a. The Municipality hereby acknowledges having received from the Purchaser a deposit of \$..... (.....dollars) in reduction of the selling price of property leaving a balance of \$..... (.....dollars) outstanding.

- b. The Purchaser shall be entitled to occupation of the property from the day of19.....from which date subject to the provisions of this Agreement the risk of profit or loss shall pass to the Purchaser.

4. a. The selling price of the property referred to clause 2 hereof, representing the capital sum to be paid by the Purchaser (hereinafter referred to as "the principal 2) shall be repaid by not later than years from the fixed day referred to discretion shall have the right to extend the period for the repayment of the principal.

- b. Subject to paragraph 5 (c) hereof the principal shall bear interest at the rate six percent (6%) per annum.

- c. Interest shall commence from the fixed date referred to in the following clause reckoned on the balance of the principal outstanding on the fixed date. Interest as aforesaid, shall be payable by the Purchaser in installments as more fully provided in the next succeeding clause.

5. a. In reduction of the principal outstanding and interest accrued thereon the Purchaser shall pay the Municipality installment of: \$..... (.....dollars) and cents) per month on the first day of20..... which date is referred herein as "the fixed date".

- b. The Purchaser may anytime pay the balance of Principal and interest outstanding or may with the consent of the Municipality pay larger installments of paragraph 5 (a) hereof.

c. The Municipality may at anytime on three's written notice to the Purchaser increase the rate of interest on all amounts owing or claimable by the Municipality in terms of paragraph 5 (a) and (b) hereof and may thereafter at any time without notice decrease such rate of interest. The increased interest shall at the option of the Municipality be recovered from the Purchaser either by way of an increase in the monthly installments payable in terms of this agreement or by way of an extension of the period of the payment of the principal.

d. Subject to paragraph 7 (b) hereof, the installments paid by the Purchaser in any financial year ending the 31st December, shall be applied firstly in satisfaction of the interest due for that year and then in reduction of the principal outstanding. Any sums due in terms of this Agreement which are not met by due date shall bear interest at the rate of 6% per annum until such amounts are paid.

6. In addition to the installments payable in terms of clause 5 hereof the Purchaser shall with effect from the date of occupation given in clause 3 pay on the due date all supplementary and service charges and any insurance premium installments as referred to in clause 8 hereof, now or hereafter imposed in respect of the property.

7. a. All payments in terms of and referred to in this Agreement shall be made at the office of the Municipality or as the Municipality may otherwise direct by one month's notice in writing to the Purchaser.

b. The Municipality may apply any payments made in terms of clause 5 hereof in discharge first of any amounts due in respect of the charge referred to in clause 6 hereof and thereafter to the payment of any interest accrued and then in reduction of the principal outstanding.

8. Until grant of title to the property has been made to the Purchaser the Municipality shall insure the property referred to in clause 9 hereof against the risk of loss or damage from fire lightning, riot and civil commotion together with such other cases as the Municipality in its discretion may determine. The amount of the insurance cover may be increased by the Municipality from time to time in accordance with its assessed replacement cost the property insured. Provided that any moneys received in terms of such insurance shall be used in the following manner.

i. The Municipality shall apply such moneys to the restoration or rebuilding of the property referred to in clause 9 hereof as necessary to restore it so far as possible to its former state.

- ii. Alternatively, where the property is totally destroyed or destroyed to the state that complete rebuilding would otherwise be necessary the Municipality shall be entitled to cancel this Agreement and such moneys shall first be applied to the discharge of the outstanding principal and interest accrued and unpaid reckoned at the date of receipt of such moneys and all other charges referred to in this Agreement due and unpaid up to and including the said date. Any balance of the moneys remaining thereafter shall be paid to the Purchaser. Where the Municipality decides to cancel the Agreement in terms hereof of shall advise the Purchaser within 60 days of the date of receipt of such moneys.
 - b. The Municipality shall pay the annual premiums due in respect of such insurance as and when it falls due, the total amount thereof shall be refunded to the Municipality by the Purchaser in twelve equal monthly installments each of which shall be added to the amounts which are payable by the Purchaser to the Municipality in terms of clause 6 hereof.
 - c. Notwithstanding anything to the contrary the Municipality gives no warranties that the insurance affected hereby affords adequate cover as regards the interest of the Purchaser in the property and the Purchaser shall have no claim against the Municipality in respect of any shortfall.
9. The Purchaser shall at all times comply with the laws and by-laws pertaining to the township.
10. The property shall be used for no purposes save residential purposes except with the written consent of the Municipality.
11. Until title of the property has been granted to the Purchaser, the Purchaser shall not without either the prior written consent of the Municipality let the property or any portion thereof to any person nor without such consent shall any person other than the Purchaser or his dependants occupy the same or any portion thereof.
- 12.a. Until title of the property has been granted to the Purchaser he shall at his own expense maintain the property in good order and in a neat, clean habitable and sanitary condition.

b. If the Purchaser fails so to maintain the property the Municipality shall be entitled to give written notice to the Purchaser specifying such maintenance as is necessary and requiring the notice. If at the expiry of such time the Purchaser has not executed such maintenance the Municipality shall be entitled to enter the property and execute the same and recover the cost thereof from the Purchaser. Failure to pay the cost so incurred within 30 days of a demand for payment thereof shall constitute a breach of the conditions of this Agreement.

c. The Purchaser shall not effect any additions, alterations or improvements on the property without the written consent of the Municipality.

13. In order to give due and proper effect to the provisions of this Agreement the Municipality by its officers shall be entitled at all reasonable times to enter and inspect the property and the Municipality shall furthermore be entitled to enter with its workmen agents and others to execute such work of which notice has been given.

14. The Municipality shall at all times have the right and power, free of charge, to erect or lay and work pipelines, electric pipelines, sewers, and drains, poles and standards upon, over or under the said land at all reasonable times free of charge for the purpose of inspecting, repairing, maintaining, repairing or altering such works in connection therewith.

15. The Purchaser shall keep and maintain the beacons of the stand in proper repair and in their respective true position.

16. Notwithstanding the provisions of clause 16 hereof title to the property may be granted to the Purchaser in terms of clause provided the Purchaser satisfies the Municipality that:-

i. He has been granted a loan to be accrued by a substantive bond over the property, and

ii. The principal and interest outstanding and any other charge payable in terms of this Agreement have been paid or guaranteed to the satisfaction of the Municipality against issue of the title.

17.a. All costs, charges and other expenses including costs of survey, stamp duty and registration in connection with the grant of title to the Purchaser shall be paid by the Purchaser and the Municipality hereby agrees to grant title in accordance with the provision of clause 16 and 17 thereof.

PROVIDED that if the Purchaser is entitled to the grant of title and the stand is un-surveyed, he may elect either to have the stand surveyed to obtain immediate title or elect to continue with Agreement until such time as the stand along with other stands in the township have been surveyed as decided by the Municipality and upon completion of such survey title will then be granted.

b. Such title shall contain the following special conditions:

- i. The right to all minerals oil, natural grass and precious stones and the power to make grants by right to prospect therefore is referred to the President.
- ii. The President shall have the right to resume ownership of one retake possession of the property or any portion thereof on payment to the owner of such compensation as may be mutually agreed upon or failing such Agreement as may be determined by arbitration.
- iii. Clause 14 hereof

18. The property is sold vootstoots.

19. The Purchaser shall not part with possession of the property or any part thereof nor cede nor assign nor hypothecate this Agreement or any rights hereunder to any person without the previous consent in writing of the Municipality.

20. If the Purchaser at any time fails to pay in the date due thereof any of the installments or other amounts payable in terms of the Agreement or should the Purchaser commit any other breach of the conditions of this Agreement then the provisions of clause 21 hereof shall apply.

21. a. Where a breach of this Agreement such as is referred to in clause 21 hereof occurs the Municipality at its discretion may require the Purchaser by one month's notice or such longer period or periods as the Municipality may from time to time determine to dispose of his interest in the property to a person approved by the Municipality.

Such disposal shall be permitted on condition that the person who acquires the interest shall conclude an Agreement with the Municipality containing the same terms and conditions mutatis mutandis as this Agreement and on payment to the Municipality of any moneys referred to in this Agreement owing to it.

b. Alternatively in case of such breach or where the Purchaser defaults under paragraph 21 (a) hereof the Municipality shall be entitled by notice in writing to the Purchaser to cancel this Agreement whereupon the Purchaser shall vacate the property immediately and hand over the same peacefully to the Municipality and all amounts paid in terms of paragraph 3(a) and 5(b) hereof and in reduction of the principal shall be returned to the Purchaser but subject to the following deductions;

- i. All amounts of interest due and unpaid reckoned to the date when possession is gained by the Municipality;
- ii. All other charges referred to in this Agreement which are due and unpaid;
- iii. The cost to the Municipality of remedying any defects in the property to put it into good order and repair as provided in clause 12 hereof whether such defects have been brought to the attention of the Purchaser or not;

Provided that where in the opinion of the Municipality the property is beyond economic repair no refund whatsoever shall be made to the Purchaser and the provisions of the saving in this clause shall not apply.

- iv. Any cost incurred by the Municipality in cancelling this Agreement and gaining possession of the property:

Upon cancellation of this Agreement as provided in paragraph 21(b) hereof the Municipality shall grant title to the said at the cost of the price as stated in clause 1 hereof.

22. The parties hereto consent to the original jurisdiction of Magistrate's Court for the District of.....in respect of all claims arising directly or indirectly out of this Agreement for damages caused by or other rights arising on the cancellation thereof.

23. The Municipality is hereby empowered to code or assign its rights and obligations as provided in this Agreement to any Local Authority which may be set up have power or jurisdiction over the aforesaid township.

EXECUTED by the Purchaser at.....
this day of 19.....

AS WITNESS:

1.
.....
(PURCHASER)

2.

EXECUTED by the Seller, the Municipality of Victoria Falls at
this day of 20.....

AS WITNESS:

1.
.....
SELLER

(Housing Clerk)

(Director of Housing & Community Services)

2.
(Housing & Administration Officer)