



LAW SOCIETY OF KENYA

**CONDITIONS OF SALE  
AND  
AGREEMENT FOR SALE LAYOUT**

**SAMPLE NOT FOR SALE**

**(NOVEMBER 2015)**

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**1. TITLE**

These Conditions may be cited as the Law Society Conditions of Sale 2015 (the “Conditions”).

**2. DEFINITION AND INTERPRETATION**

**(1) Definition**

In these Conditions, where the context so admits, the following words and expressions shall have the following meanings:

- a) **“Act”** means an Act of Parliament;
- b) **“Accrued Interest”** means:
  - (a) If money has been placed on deposit in a bank, the interest actually earned;
  - (b) Otherwise, the interest which might reasonably have been earned by depositing the money in an interest earning account based on the Contract Rate calculated from a date fourteen days from the date the money was received until when the amount is paid;  
Less, in either case, any proper charges for handling the money;
- c) **“Agreement”** or **“Contract”** means the agreement of sale of the Property incorporating these Conditions or any of them by reference to them;
- d) **“Authority”** means any governmental, statutory or other public body or authority;
- e) **“Business Day”** means any day from Monday to Friday (inclusive) during the hours of 8:00 am to 5:00 pm other than:
  - (i) Any public holiday that has been declared through a Kenya Gazette; and
  - (ii) Any other day specified in the Agreement as not being a Business Day in Kenya.
- f) **“Central Bank Rate”** or **“CBR”** means the lowest rate of interest charged by the Central Bank of Kenya on loans to banks and published from time to time pursuant to the provisions of Section 36 (4) of the Central Bank of Kenya Act (Cap 491);
- g) **“Charge”** means an interest in land or a lease securing the payment of money or money's worth or the fulfilment of a condition and includes a sub-charge and the instrument creating a Charge;
- h) **“Client Account”** means a current or deposit account maintained at a bank (as defined in the Banking Act (Cap. 488) by an Advocate or other person or by a business or organization for a client, customer or third party in order to keep the client's, customer's or such third party's money separate and distinct from their own and in the case of an Advocate such account will be maintained in the name of the Advocate

- or firm name and in the title of the account the word “client” or the word “trust” will be added;
- i) **“Completion”** means the act of completing the sale of the Property for consideration pursuant to the Agreement and includes:
    - (a) Process of transferring (by registration or otherwise) the interest or estate in the Property to the Purchaser ;
    - (b) The granting of legal possession of the Property to the Purchaser;
    - (c) Settlement of utilities bills and transfer of utilities accounts; and
    - (d) Apportionment of outgoings between the Vendor and the Purchaser.
  - j) **“Completion Date”** has the meaning given in condition 8.1;
  - k) **“Completion Documents”** means the deeds and other documents that are necessary for the transfer of good title and as may be defined in the Agreement, and in the absence of any definition in the Agreement , means the documents set out in Condition 8.4.1;
  - l) **“Contract Rate”** means the Central Bank Rate;
  - m) **“Deposit”** means ten (10) per centum of the Purchase Price or such other percentage of the Purchase Price as may be agreed;
  - n) **“Interest”** means the annual rate of interest specified in the Agreement or, if none is so specified, the Contract Rate shall be applied;
  - o) **“Outgoings”** means all rents, rates, taxes and other sums due to any Government, County Government or but does not include:
    - (a) Any payment of a capital nature due under the Streets Adoption Act (Cap.406) or any other charge of a capital nature payable under the County Government Act 2012 being applicable to the Property or otherwise;
    - (b) A tax specified in the Income Tax Act (Cap 470), and Stamp Duty Act (Cap 480);
  - p) **“Parties”** means the Vendor and the Purchaser as described in the Agreement;
  - q) **“Property”** means land and buildings, which the Vendor has agreed to sell to the Purchaser and which is the subject matter of the sale as more particularly described in the Agreement as is constituted in the title document;
  - r) **“Purchase Price”** means the price or consideration payable for the Property as stipulated in the Agreement;
  - s) **“RTGS”** means the transfer of funds by way of Real Time Gross Settlement or other equivalent electronic transfer of funds;
  - t) **“Transfer”** includes an assignment, a lease or an under lease and, in relation to land registered under the Land Registration Act, 2012 as amended from time to time, the prescribed instrument of transfer;

- u) “**VAT**” means an amount equal to the value added tax as charged in accordance with the Value Added Tax Act (Cap 476) or any equivalent or substituted tax
- v) “**VATA**” means the Value Added Tax Act (Cap 476) or any equivalent tax Act;
- w) “**VAT invoice**” means an invoice complying with the provisions of regulations VATA;

(2) **Interpretation**

In the Conditions and the Agreement, unless the context otherwise requires, the following applies:

- (a) The expressions “**Vendor**” and “**Purchaser**” include their respective personal representatives or successors and permitted assigns.
- (b) Reference to an Authority includes a reference to:
  - (i) An officer of that Authority; and
  - (ii) Any other Authority and any officer of that other Authority, which performs the same or a similar function to the Authority.
- (c) Reference to a thing includes the whole and any part of that thing.
- (d) Reference to the singular includes the plural and vice versa.
- (e) Headings to clauses will not affect the interpretation of the Agreement or the Conditions.
- (f) Words importing one gender shall be construed as importing any other gender.
- (g) Words importing persons shall be construed as importing a corporate body and/or a partnership and vice versa.
- (h) Where any Party comprises more than one person the obligations and liabilities of that Party under the Agreement shall be joint and several obligations and liabilities of those persons.
- (i) The clause headings do not form part of the Agreement and shall not be taken into account in its construction or interpretation.
- (j) Any reference to a clause or paragraph or schedule is to one in the Agreement so numbered.
- (k) Any obligation of a Party to do an act or thing includes an obligation to procure that it be done and any obligation not to do any act or thing includes an obligation not to permit or suffer that act or thing to be done by any person under its control.
- (l) Where the words ‘includes’, ‘including’ or ‘in particular’ are used in this Agreement they are deemed to have the words ‘without limitation’ following them.
- (m) Reference to a Party includes reference to:
  - (i) A natural Party ;
  - (ii) A company incorporated under the Companies Act, 2015; and
  - (iii) A body corporate constituted under any law.

- (n) If something must be done by or on a day, which is not a Business Day, the day by or on which that thing must be done is the next Business Day.
- (o) Where a period of time is required to be calculated from or after a specific day, or after or from a day on which a specific event occurs, that day must not be included in the period.
- (p) Where a period of time is expressed to expire on or continue until a specified date, that date is included in the period.
- (q) All warranties and representations continue to have effect after Completion.
- (r) Reference to being entitled to possession of the Property includes being entitled to rent from the Property.
- (s) Reference to a document being signed or to a Party being obliged to sign a document, will be treated as requiring that the document be:
  - (i) Executed by a company or body corporate; or
  - (ii) Signed by a natural Party, in a manner which is legally effective; and
  - (iii) If the document is required to be registered by any registry, then in a manner acceptable for registration.
- (t) Reference to an Act includes any change, statutory modification or re-enactment of it and any and every order, instrument, regulation, direction or plan made or issued under the statute or deriving validity from it or, if the Act is repealed, the Act:
  - (i) Replacing it; and
  - (ii) All subsidiary legislation under that Act.
- (u) Reference to a clause is a reference to a clause in the Agreement.
- (v) Reference to a sub clause is a reference to a sub clause in which the reference occurs.
- (w) In the Conditions the terms “Certificate of Title” and “Certificate of Lease” have the special meanings given to them by the Land Registration Act 2012.
- (x) A Party is ready, able and willing to complete:
  - (i) If he could be, but for the default of the other Party, and;
  - (ii) In the case of the Vendor, even though the Property remains subject to a charge or mortgage, if the amount to be paid on Completion enables the Property to be transferred freed of all charges or mortgages (except any to which the sale is expressly subject) and the chargee has consented to the sale and expressed willingness to release a discharge on an undertaking limited to the amount to be paid on Completion.

(3) **Application**

- (a) Reference to any written law shall include any written law or legislation substituted therefore or such law as amended and applicable in Kenya.
- (b) These Conditions shall apply except as varied or excluded by the Agreement.

**3. FORMATION**

**3.1 Date**

- 3.1.1 Unless otherwise specified by the Parties in writing the Agreement is made on the date of signing and the Party signing the Agreement last or their advocate shall insert the date.
- 3.1.2 If the Parties have not specified a date and the Agreement is made by exchanging duplicate copies or counterparts by post, the Agreement is made when the last copy or counterpart is posted.
- 3.1.3 Unless otherwise specified the Vendor's Advocates shall present the Agreement to the Collector of Stamp Duty for assessment and payment of stamp duty and the amount of duty shall be paid by the Purchaser. Accordingly the Party signing the Agreement last shall not later than 3 days of signing send the Agreement to the Vendor's Advocate.

**3.2 Parties to the Agreement**

- 3.2.1 If there is more than one Vendor or more than one Purchaser, the obligations which they undertake can be enforced against all of them jointly or against each individually.
- 3.2.2 The Vendor and the Purchaser must:-
  - (i) Comply with their respective obligations under the Agreement; and
  - (ii) Not assign or transfer the Agreement or any right under the Agreement to a third party without the prior written consent of the other.
- 3.2.3 Unless otherwise expressly stated nothing in this Agreement will create rights in favour of anyone other than the Parties to the Agreement.

**4. THE PROPERTY BEING SOLD**

**4.1 Free from encumbrances**

Unless any encumbrances are precisely pointed out in the Agreement, it is presumed that the Vendor sells the property free from any encumbrances.

**4.2 Easement, restrictive covenant benefit**

- 4.2.1 Where the Property is registered with the benefit of a right over other land, the transfer to the Purchaser shall include the benefit and the Vendor shall obtain any consent or approval necessary for this right to continue running with the Property.
- 4.2.2 The Condition in 4.2.1 does not apply where the benefit of a right over land was specific to the Vendor and does not run with the land or is otherwise not capable

legally of being transferred to the Purchaser and this fact would be discoverable by inspection of the Property or the Title or the Register.

#### **4.3 Physical state**

4.3.1 The Purchaser is deemed to have inspected the Property prior to signing the Agreement and upon signing of the Agreement accepts the property as it is, subject to condition 4.3.2

4.3.2 The Parties may agree to have a checklist of such fixtures and chattels forming part of the Agreement, which checklist should be signed by the Parties and be attached to the Agreement.

#### **4.4. Membership of company**

Where the owner of the Property is, or is required to be, a member of a company that has management interest or responsibilities for the Property, the sale and purchase of the Property and the share in the management company shall be indivisible and the Purchaser shall be deemed to have applied for membership in the company at a nominal consideration stated in the Agreement and the Vendor shall, without any additional cost to the Purchaser, and as part of the Completion Documents provide such documents on Completion as will enable the Purchaser to become a member of that company.

#### **4.5. Leaseholds**

Where the Property is leasehold:-

4.5.1 the title shall commence with the lease or under-lease creating the interest sold.

4.5.2 the Purchaser is deemed to have notice of the contents of the lease or under-lease creating the interest sold and any partial, incomplete or inaccurate statement does not affect the sale in the Agreement with reference to the contents of the lease or under-lease.

4.5.3 where the interest sold is created by an under-lease, the Purchaser may require the Vendor to supply a copy or a certified copy of the immediately superior lease.

4.5.4 The Purchaser may make no objection on the grounds that the covenants and conditions in the under-lease do not in all respects correspond with those in the superior lease so long as the provisions of the under-lease substantially give effect to the provisions of the superior lease.

4.5.5 where the lease or under-lease is subject to a restriction against assignment without consent:

- (a) Immediately after the signing of the Agreement, the Vendor shall, at his own cost, apply for and endeavour to obtain the necessary consent; and
- (b) The Purchaser shall perform any condition reasonably required by the reversioner before granting the consent in order to show that the Purchaser will be a satisfactory tenant; and
- (c) If the consent is refused or and if a request made to the registrar to waive the requirement of consent is declined, either party may rescind the Agreement by notice in writing to the other party; and
- (d) On rescission, the provisions of sub-clause 6.4.3 apply.

4.5.6 The Vendor will not be deemed to have given, expressly or impliedly, any covenant which would make him liable to the Purchaser for a subsisting breach of any covenant concerning the state or condition of the Property of which state or condition the Purchaser has notice under Condition 7.2.

## **5. PURCHASE PRICE AND STAKEHOLDING**

### **5.1 General**

- 5.1.1 Unless otherwise agreed in writing the Purchase Price shall be paid by RTGS or other electronic means to the Vendor Advocate's Client Account maintained with a bank.
- 5.1.2 Notwithstanding Condition 5.1.1, if a payment is tendered or made to a Vendor's Advocate but not to the Vendor's Advocates' Client Account, that payment is not invalid for the purposes for which it is tendered or made, and the Vendor's Advocate is bound to accept and treat the same as if that payment is tendered or made to the Vendor's Advocate's Client Account and shall immediately transfer the amount paid to the Client Account, at all times holding the said payment as stakeholder, unless expressly stated otherwise.
- 5.1.3 Except as otherwise agreed in writing the Purchase Price shall be paid in full without deductions set off or counterclaim. Where VAT is payable on the Purchase Price then the Deposit or on the balance of the Purchase Price shall include VAT on them as may be required by VATA.
- 5.1.4 The Deposit shall be paid as provided in Condition 5.3 while the balance of the Purchase Price shall be paid as provided in the Condition 8.3.1.

### **5.2 Stakeholder**

- 5.2.1 The Purchase Price or any part thereof including the Deposit is to be held by the Vendor's Advocate or auctioneer (in the case of auctions) as stakeholder and if demanded by any party in an interest earning account and the principal and Accrued Interest will be dealt with in the manner set out in the Conditions and the Agreement.
- 5.2.2 Where the transaction does not proceed to Completion through no fault of the Purchaser the Deposit with Accrued Interest but less any applicable withholding costs charged by the bank is to be paid to the Purchaser or as per the Purchaser's instructions.



### **5.3 Deposit**

- 5.3.1 The Purchaser shall pay the Deposit to the Vendor's Advocates on or before the date of the Agreement.
- 5.3.2 Where Parties allow for payment of the Deposit by cheque then if a cheque tendered in payment of all or part of the Deposit is dishonoured when first presented, the Vendor may, within seven (7) Business Days of being notified that the cheque has been dishonoured, have the option either:
- (i) To treat the Agreement as repudiated by the Purchaser and to rescind the same forthwith, or;
  - (ii) To affirm the Agreement and proceed in accordance with the terms and conditions thereof and any incidental costs arising from the dishonoured cheque will be recoverable from the purchaser together with the Purchase Price.

### **5.4 Auctions**

On a sale by auction the following conditions apply to the Property and, if it is sold in lots, to each lot.

- (a) The sale is subject to a reserve price.
- (b) The Vendor, or a Party on his behalf, may bid up to the reserve price.
- (c) The auctioneer may for good reasons refuse any bid.
- (d) If there is a dispute about a bid, the auctioneer may resolve the dispute or restart the auction at the last undisputed bid.
- (e) The Deposit is to be paid to the auctioneer as stakeholder.

## **6. REQUISITIONS ON TITLE AND TRANSFER**

### **6.1 Proof of title**

- 6.1.1 Within fourteen (14) days of the date of the Agreement, the Vendor shall without cost to the Purchaser, deliver to the Purchaser or the Purchaser's Advocates:
- (i) Certified copies of the title to the Property or an abstract of the title to the Property issued by the lands registry;
  - (ii) Certified copy of the Deed Plan or survey map indicating the demarcations of the Property and which are necessary to complete the Vendor's title or properly to identify the Property;
  - (iii) If the Vendor is an individual, copy of the identity card or any valid identification document;
  - (iv) If the Vendor is a company, certified true copy of the Vendor's Certificate of Registration or Certificate of Compliance;
- 6.1.2 Where the Property is under construction or is otherwise newly constructed; the Vendor shall make available a certified copy of the building and construction approvals or Certificate of Occupation and the Certificate of Practical Completion as the case may be.
- 6.1.3 Where the Property has an unregistered title or the title to be processed is a lease from the parent title, the documents to be provided by the Vendor shall include either or all (as the case may be) of the following:
- (i) Certified copies of the parent title deeds and plans which are necessary to

- complete the Vendor's title the Property;
  - (ii) Certified copy of the approvals necessary to process the title to the Property; and
  - (iii) The draft lease together with the parent title;
  - (iv) Copy of the Memorandum and Articles Association and Certificate of Incorporation of the management company
  - (v) A letter from the area provincial administration officer or county officer confirming ownership
- 6.1.4 Where the title documents are forwarded to the Purchaser or the Purchaser's Advocate they are held by them to the order of the Vendor returnable on demand and on the basis that the Purchaser or his Advocate will not utilise the title documents for any other purpose other than for the purpose of investigating the title and preparing the Transfer.
- 6.1.5 The Vendor shall disclose to the Purchaser details of all rights, privileges, latent easements or other liabilities which are known by the Vendor to affect the Property and all present and contingent liabilities in respect of road and sewerage charges in respect of which liability is to be borne by the Purchaser provided however the Vendor shall not be required to make a specific disclosure of any such rights, privileges, latent easements or other liabilities where these are contained in the title documents provided to the Purchaser.

## **6.2 Requisitions**

- 6.2.1 The Purchaser may within fourteen (14) days of receiving the documents set out in Condition 6.1 above, by notice in writing, require the Vendor to produce to the Purchaser's Advocates copies of any title deeds or plan which are necessary to complete the Vendor's title or properly to identify the Property.
- 6.2.2 The time limit on the Purchaser's right to raise requisitions ceases to apply where the Vendor supplies incomplete evidence of the title and other documents requested and time will begin to run after the requested documents are made available;
- 6.2.3 On the expiry of the relevant time limit under condition 6.2.1, the Purchaser loses the right to raise requisitions or to make observations.

## **6.3 Objections and Requisitions**

- 6.3.1 Within fourteen (14) days after delivery to the Purchaser or the Purchaser's Advocates of the abstract, title deeds or copies and plans and other documents, the Purchaser may give the Vendor notice in writing of any objection to or requisition on the following:
- (a) Title or evidence of title; or
  - (b) The description of the Property; or
  - (c) The abstract; or
  - (d) The approvals necessary or other documents necessary; or
  - (e) The Agreement, as regard matters not therein specifically provided for;
- Subject to any objection or requisition, the Purchaser is deemed to accept the Vendor's title.

- 6.3.2 No requisition or objection shall require the Vendor to:
- (a) Prove the exact boundaries of the Property;
  - (b) Prove who owns fences, ditches, hedges or walls;
  - (c) Separately identify parts of the Property with different titles further than he may be able to do from information in his possession.
- 6.3.3 No objection or requisition may be made subsequently unless it could not have been made on the information supplied by the Vendor.
- 6.3.4 All objections and requisitions shall be answered in writing within fourteen (14) days after receipt and, if not so answered, the provisions of sub-condition 6.4 may be invoked by the Parties.
- 6.3.5 Time is of the essence for this Condition.

#### **6.4. Rescission**

- 6.4.1 Where a Purchaser makes an objection or a requisition under this Condition 6 with which the Vendor is unable to comply or with which the Vendor is unwilling to comply on reasonable grounds of difficulty, delay or unreasonable expense:
- (a) The Vendor may give to the Purchaser written notice referring to this Condition, specifying the Vendor's grounds and requesting withdrawal of the objection or requisition within a specified period being not less than seven (7) days;
  - (b) The Purchaser may at the expiry of period set in sub-condition 6.3.1 (as may be extended) and 6.4.1 (a) rescind the Agreement.
- 6.4.2 If the Purchaser fails to withdraw the objection or requisition within the period specified by the notice, the Vendor may by notice in writing to the Purchaser rescind the Agreement. The Purchaser may also rescind the Agreement if the documents are not made available as requested in which case the provisions of sub-condition 6.4.3 will apply.
- 6.4.3 On rescission the Vendor shall repay to the Purchaser the Deposit and any payment of Purchase Price and Accrued Interest and the Purchaser shall return to the Vendor all documents belonging to the Vendor upon which neither Party shall have a claim against the other for costs, compensation or otherwise.
- 6.4.4 Where the Agreement becomes void under any law the provisions of sub-conditions 6.4.3 will apply.
- 6.4.5 Where, before Completion, the Purchaser discovers any material matter which should have been disclosed under sub-condition 6.3.1 hereof and has not, been so disclosed or excepted by the Conditions, the Purchaser may by notice in writing to the Vendor rescind the Agreement whereupon the provisions of Condition 6.4.3 will apply.

### **7. PRE COMPLETION FORMALITIES**

Immediately after the execution of the Agreement and payment of Deposit the Parties shall commence preparing for Completion.

#### **7.1 Applying for the completion documents**

The Vendor's Advocates shall apply to the relevant authorities for issuance of the completion documents provided for in Condition 8.4.1. Once the completion

documents have been obtained, the Vendor's Advocates shall communicate such information to the Purchaser's Advocates and shall further provide copies of the said completion documents so as to demonstrate the ability to complete.

## 7.2 Preparing the Transfer or lease

At least twenty one (21) Business Days before the Completion Date the Parties shall prepare the documents required to transfer the interest in the Property to the Purchaser by proceeding as follows:-

- (a) The Purchaser's Advocates shall send the draft transfer to the Vendor's Advocates to approve. Where the title involves a standard lease prepared by the Vendor's Advocates the draft lease shall be sent to the Purchaser's Advocates to approve.
- (b) Within four (4) Business Days of receiving the draft transfer or lease the Advocates approving it shall approve or make comments and send it to the Advocate for the engrossing Party.
- (c) Where there are outstanding matters for review the two Advocates may meet to discuss and resolve the pending issues before the Completion Date.
- (d) If the period between the date of the receiving the drafts and the Completion Date is less than 14 Business Days, the Parties may either agree to reduce the time taken to approve the documents except that the time limit to perform any step is not to be less than two Business Days provided that if the Party approving the drafts has not received the drafts at least ten (10) Business Days before the Completion Date the Completion Date shall be adjusted to accommodate the period for approval and the Party not in breach shall be entitled to interest for the delay calculated in the manner set out in Condition 13.2.

## 7.3 Identity and Conditions of Property

- 7.3.1 At the Purchaser's request, the Vendor shall point out to him the survey beacons delimiting the Property.
- 7.3.2 Any beacon found to be missing or misplaced on inspection shall be replaced at the expense of the Vendor but the fact that a beacon is missing or misplaced is not a ground either for rescission of the Agreement or for delay in its Completion.
- 7.3.3 Where the beacon has not been replaced on Completion, the Purchaser may deduct from the Purchase Price either the cost estimated by a licensed surveyor of its replacement or, if no estimate has been made **Kenya Shillings Ten Thousand (KES.10, 000.00)** in respect of each missing or misplaced beacon.

7.3.4 No claim may be made by the Purchaser in respect of any beacon found to be missing or misplaced after Completion.

7.3.5 After the Purchaser has been afforded an opportunity of inspecting the Property, the Purchaser shall be deemed to have notice of the identity of the Property and of its actual state and condition and shall, subject to condition 6.3, be deemed to take the Property with full knowledge of its state and condition and shall take the Property as it is.

7.3.6 Where the beacons have not been placed on the Property a survey map certified by the office responsible for surveys showing the demarcation of the Property will suffice for this sub-condition.

#### **7.4. Easements, Liabilities**

7.4.1 The Property is to be transferred with the benefit of and subject to liability for all matters revealed under sub-condition 6.1.5.

7.4.2 Where, before Completion, the Purchaser discovers any material matter which should have been disclosed to the Purchaser under Condition 6 and has not been so disclosed, the Purchaser may by notice in writing to the Vendor rescind the Agreement whereupon the provisions of sub-condition 6.4.3 apply.

#### **7.5 Consents**

7.5.1 The Property is sold subject to all necessary consents being obtained. The Vendor is responsible for obtaining all consents and the Purchaser shall, where required by law or by the practice obtaining, join in making any application.

7.5.2 Where the sale is free from encumbrances the Vendor is responsible for obtaining the discharge of any encumbrance at the Vendor's cost.

#### **7.6. Subdivision**

Where the sale requires the subdivision of any Property, immediately on the signing of the Agreement, the Vendor shall at his own expense:

7.6.1 apply for approval of the subdivision; and

7.6.2 cause a survey to be carried out and deed plans issued by the Director of Surveys; and

7.6.3 cause a new separate register to be opened in respect of the subdivision in accordance with the provisions of Section 22 (2) of the Land Registration Act.

## **7.7 Inspection**

### **7.7.1 Right to inspect**

- (a) Subject to clause 7.7.2 (b):
  - (i) The Purchaser is entitled to inspect the Property; and
  - (ii) The Vendor must grant access to the Property to enable the Purchaser to inspect the Property, on one (1) occasion within five (5) Business Days before the Completion Date.
- (b) The Purchaser:
  - (i) May be accompanied by consultants on an inspection; and
  - (ii) Where the Purchaser is a corporation, the reference in this clause and in clause 7.2 to the Purchaser means a reference to a director, secretary or officer of the corporation or any other person nominated by the corporation.

### **7.7.2 Time for inspection**

- (a) Subject to sub-clause (b), if the Purchaser wishes to inspect the Property as specified in clause 7.6.1, the Purchaser and the Vendor must agree the date and time for the inspection.
- (b) If it is not possible for the Purchaser and the Vendor to reach agreement as specified in sub-clause (a), the Purchaser may by not less than ~~one (1)~~two (2) Business Days' Notice to the Vendor or the Vendor 's Advocate specify the date and time for the inspection.
- (c) The inspection must be:
  - (i) On a Business Day; and
  - (ii) At a time between 9.00am and 4.00pm.
- (d) Where the Purchaser serves Notice under sub-clause (b), which complies with sub-clause (c), the Vendor must permit the Purchaser to inspect the Property at the time and on the date specified in that Notice, failure to which the Purchaser may rescind the Agreement in accordance with Condition 6.4.

## **8. COMPLETION**

### **8.1 Completion Date**

- 8.1.1 Completion Date means the date specified in the Agreement, failing which, the ninetieth day (90<sup>th</sup> day) after the date of the Agreement.
- 8.1.2 On the Completion Date, the Completion Documents will be exchanged between the Vendor's Advocates and the Purchaser's Advocates for the balance of the Purchase

Price in cleared funds or an undertaking in the approved form in respect of the balance of the Purchase Price, whatever the case may be, in accordance with Condition 8.3 herein.

8.1.3 The amount payable by the Purchaser on the Completion Date is the Purchase Price (less any Deposit already paid to the Vendor's Advocate in accordance with Condition 5.3) adjusted to take account of:-

- (a) Apportionments made under condition 9.2;
- (b) Any compensation to be paid or allowed under condition 13.2; and
- (c) Any sum payable under condition 12.1.3.

## **8.2 Venue**

8.2.1 Where the Agreement specifies the time and place of Completion, Completion must take place at the time and place specified.

8.2.2 Where the Agreement does not specify the time and place of Completion, Completion should take place either at the Vendor's Advocate's office or any other venue that may be agreed by the Parties, noting that if the parties do not agree on an alternative venue, completion must take place at the Vendor's Advocate's office or at the last physical address of the Vendor's Advocate as supplied to the Law Society of Kenya.

## **8.3 Purchaser's Obligations**

8.3.1 On the Completion Date, the Purchaser shall produce documentation evidencing payment of the balance of the Purchase Price either as follows:

- (a) Payment in net cleared funds to the Vendor's Advocates nominated bank account by way of RTGS no later than three (3) Business Days prior to the Completion Date to be held by the Vendor's Advocates as stakeholders pending Completion; or
- (b) An irrevocable professional undertaking securing payment by the financier's advocates in a form and substance satisfactory to the Vendor's Advocates.
- (c) An irrevocable professional undertaking by the purchasers advocates in the form and satisfactory to the vendors advocates inter alia stating that the said purchasers advocates has been placed in funds towards payment of the balance of the purchase price.

## **8.4 Vendor's Obligations**

8.4.1 On the Completion Date, and subject to the performance by the Purchaser with regard to the Purchaser's obligation to pay the Purchase Price under Condition 8.3, the Vendor shall give the Purchaser the following Completion Documents:

- (a) Original Certificate of Title for the Property;
- (b) Duly executed Transfer, in triplicate, of the Property in favour of the Purchaser;

- (c) Original valid Rates Clearance Certificate for the Property (valid for at least 21 days from the Completion Date) together with the original rates payment receipts evidencing payment of the Land Rent in respect of the Property for the last Three (3) years;
- (d) Original and valid Land Rent Clearance Certificate for the Property and receipts evidencing payment of the Land Rent in respect of the Property for the last Three (3) years;
- (e) Copies of the latest utility bills for water and electricity for the Property duly paid up until the Completion Date (if applicable);
- (f) Copy of the Vendor's identity card or other identification document in case of a foreigner (if not already provided);
- (g) Copy of the Vendor's PIN certificate;
- (h) Three coloured passport size photographs of the Vendor;
- (i) If the Vendor is a Company:
  - (i) Copy of the Vendor's Certificate of Registration (if not already provided);
  - (ii) Copies of the Identity Cards and PIN certificates of the Vendor's Directors;
- (j) Three coloured passport size photographs of each of the Vendor's Directors;
- (k) All documents of title relating to the Property which are in the Vendor's possession;
- (l) All consents necessary to effect registration of the Transfer;
- (m) Every other document, including:
  - (i) Any transfer executed by a third party; and
  - (ii) Every application, declaration and other document, necessary to enable the Purchaser to become the registered proprietor of the Property free of any encumbrance; and
- (n) All other documentation required to be delivered on the Completion Date including any discharge or withdrawal of an encumbrance, which is required to be withdrawn or discharged on the Completion Date.

## **8.5 Valuation, stamp duty and registration**

- 8.5.1 Unless agreed otherwise by the Parties, registration of the Transfer shall be undertaken by the Purchaser's Advocate.
- 8.5.2 The Purchaser shall pay stamp duty on the Transfer.
- 8.5.3 The Purchaser shall pay the registration fee payable on the Transfer.
- 8.5.4 For the purposes of this paragraph, the expression "registration" shall, where the Purchaser is a company incorporated under the Companies Act, 2015 or a co-operative society registered as a registered society under the Co-operative Societies Act (Cap. 490), in the case of any Charge include registration of such Charge in accordance with the provisions of the Companies Act or (as the case may be) of the Co-operative Societies Act.



## 8.6 Registration and release of funds

- 8.6.1 Upon receipt of the registered Transfer, the Purchaser or the Party responsible for registration under condition 8.5.1 shall immediately but not later than three (3) Business Days after receipt, notify the other Vendor's Advocates.
- 8.6.2 Unless otherwise provided in the Agreement, the Purchase Price shall be unconditionally released to the Vendor upon notification from the Purchaser that registration of the Transfer has been duly effected, provided always that the Vendor shall not be entitled to proceeds of sale and the Purchaser shall not be entitled to possession until registration takes place.
- 8.6.3 Save as provided in Condition 10, the Purchaser shall be entitled to possession of the Property after the Purchaser has paid or (as the case may be) unconditionally authorized the release of the whole of the Purchase Price to the Vendor;

## 8.7 Delay in registration

If registration of the Transfer shall not be effected within forty five (45) days of the Completion Date, the Vendor may, without prejudice and in addition to any other right or remedy, give notice to the Purchaser requiring him to effect the registration of the Transferor return the Completion Documents within such period (not being less than twenty one (21) days from the date of the notice) as may be specified in the notice. If the Transfer shall not have been registered nor the Completion Documents returned to the Vendor's Advocate on or before the expiry of the notice, the Purchaser or Vendor's Advocate (where applicable) shall either:

- (a) Pay and release to the Vendor unconditionally the sums held by the Vendor's Advocate as stakeholder under the Agreement; or
- (b) Where the balance of the Purchase Price is secured by an undertaking, the undertaking shall become enforceable and the Purchaser shall procure the payment in cash of the balance of the Purchase Price immediately.

## 9. OUTGOINGS AND APPORTIONMENTS

### 9.1 Outgoings

- (a) Subject to this Condition, the Vendor must pay each outgoing payable up to and including the earlier of:
- (i) the date of possession; and
  - (ii) the date of Completion.
- (b) The Purchaser must pay each outgoing payable from and including the day after the earlier of:
- (i) the date of possession; and
  - (ii) the date of Completion.

### 9.2 Apportionments

- 9.2.1 In this Condition:

“the Apportionment Day” means;

- (i) If the Property is sold with vacant possession of the whole, the day Completion takes place or,

- (ii) where the Purchaser has taken possession prior to that date, the date of possession;
- (iii) In any other case, the Completion Date.

“**Payment period**” means one of the periods for which a sum payable periodically is payable, whether or not such periods are of equal length.

- 9.2.2 On Completion the income and outgoings of the Property shall, subject to paragraph (iii) of this sub-condition be apportioned as at the Apportionment Day.
- (a) For the purposes of apportionment only, it shall be assumed:
    - (i) That the Vendor remains the owner of the Property until the end of the Apportionment Day; and
    - (ii) That the sum to be apportioned accrues from day to day and is payable throughout the relevant period at the same rate as on the Apportionment Day.
  - (b) Sums payable periodically shall be apportioned by charging or allowing:
    - (i) For any payment period entirely attributable to one party, the whole of the installment therefor;
    - (ii) For any part of a payment period, a proportion on an annual basis.
  - (c) A sum shall not be apportioned if:
    - (i) The Purchaser cannot, by virtue only of becoming the owner of the Property, either enforce payment of it or obliged to pay it; or
    - (ii) It is an outgoing paid in advance, unless the Vendor cannot obtain repayment and the Purchaser benefits therefrom or is given credit therefor against a sum that would otherwise be the Purchaser’s liability.
  - (d) The balance found due on apportionment shall be paid by or allowed to the Purchaser upon Completion.
- 9.2.3 On evidence of proper payment being made, income and outgoings of the Property are to be apportioned between the Parties so far as the change of ownership on Completion will not affect entitlement to receive or liability to pay them.
- 9.2.4 Any outgoing payable under Condition 9 must be apportioned and any amount payable by one Party to the other must be paid:
- (a) at the Completion Date; or
  - (b) On the date of granting possession as per Agreement; or
  - (c) at a later time agreed by the Parties in writing.
- 9.2.5 In apportioning any sum, it is to be assumed that the Vendor owns the Property until the end of the day from which apportionment is made and that the sum accrues from day to day at the rate at which it is payable on that day.
- 9.2.6 For the purpose of apportioning income and outgoings, it is to be assumed that they accrue at an equal daily rate throughout the year.
- 9.2.7 when a sum to be apportioned is not known or easily ascertainable at Completion, a provisional apportionment is to be made according to the best estimate available. As

soon as the amount is known, a final apportionment is to be made and notified to the other party. Any resulting balance is to be paid no more than ten working days later, and if not then paid the balance is to bear interest at the Contract Rate from then until payment.

## **10. GRANT OF POSSESSION STATE AND CONDITION OF PROPERTY**

### **10.1 Entitlement to possession**

10.1.1 Save as provided in Condition 10.2, the Purchaser shall not be entitled to possession of the Property until the Purchaser has paid or (as the case may be) unconditionally authorised the release of the whole of the Purchase Price to the Vendor.

10.1.2 Without affecting the right of the Purchaser on possession, if the Agreement specifies a sale with vacant possession the Vendor shall on or before Completion:-

- (a) remove from the Property all movable property not included in the sale from the Property by Completion unless otherwise agreed to by the Parties;
- (b) deliver the Property in the same state and condition as it was at the date of Agreement (save for fair wear and tear) and if damage is caused to the Property, before granting possession, the Vendor must make good any necessary repairs before and for any works not carried out and on Completion pay to the Purchaser the cost of repairing the damage immediately on request by the Purchaser; and
- (c) deliver to the Purchaser on Completion the keys and any access device for the Property.

### **10.2 Possession before Completion**

10.2.1 Where the Purchaser takes possession of the Property before Completion other than under a lease or tenancy entered into before the Agreement, the Purchaser occupies the Property as licensee of the Vendor at a fee of a peppercorn (or such other fee as the Parties may agree) and the taking of possession is not an acceptance of the Vendor's title or a waiver of the Purchaser's right to make requisitions or objections to title.

10.2.2 From the date of taking possession until either Completion or until the Vendor retakes possession the Purchaser shall:

- (a) keep the Property in as good a state of repair and condition as it was in when he took possession; and
- (b) farm the Property in a good and husbandry manner; and
- (c) pay all rates, rents, taxes, costs of insurance and repairs and other outgoings in respect of the Property;
- (d) allow the Vendor access to inspect the Property from time to time with full liberty for the Vendor to retain a set of keys; and

- (e) be entitled to the rents and profits as if the Completion Date had arrived; and
- (f) pay interest on the Purchase Price; and
- (g) not agree to lease, charge or part with possession of the Property or any part thereof without the prior consent of the Vendor.

10.2.3 If the Agreement becomes void or is rescinded, the Purchaser shall:

- (a) forthwith deliver up possession of the Property to the Vendor; and
- (b) apply any insurance money received by the Purchaser in respect of the Property in making good any loss or damage to the Property or otherwise account for the same to the satisfaction of the Vendor.

10.2.4 Where the Purchaser is a lessee or tenant; the Agreement does not determine or affect the lease or tenancy.

10.2.5 The Purchaser is not in possession for the purposes of this Condition if the Purchaser has only been granted limited access solely to do work agreed by the Vendor.

10.2.6 The Purchaser's licence ends on the earliest of:

- (a) Completion Date;
- (b) Rescission of the Agreement; or
- (c) When five working days' notice given by one Party to the other takes effect.

10.2.7 If the Purchaser is in occupation of the Property after his licence has come to an end and the Agreement is subsequently completed he is to pay the Vendor compensation for his continued occupation calculated at the agreed upon licence fee.

10.2.8 The Purchaser's right to raise requisitions is unaffected by taking early possession.

## **11. REPRESENTATION WARRANTIES AND DISCLAIMER**

### **11.1 Capacity of Parties**

Each Party represents and warrants to the other that the Party has capacity to enter into and perform or procure the performance of the Agreement.

### **11.2 Warranty by the Vendor**

11.2.1 Except as otherwise disclosed in writing by the Vendor to the Purchaser before the Agreement date, the Vendor represents and warrants to the Purchaser as at the Agreement date as follows.

- (a) The Vendor:
  - (i) has not received a notice of compulsory acquisition of or repossession; and
  - (ii) does not know of any intention to compulsorily acquire or repossess, the Property by an Authority
- (b) The use of the Property is lawful.

11.2.2 Except as otherwise disclosed in writing by the Vendor to the Purchaser in the Agreement, the Vendor represents and warrants to the Purchaser as at the date of the Agreement:-

- (a) The Vendor does not know of any of the following:
- 1) Any demand, order, requisition or requirement relating to the Property which:
    - (i) has been made by an Authority and remains current; or
    - (ii) which an Authority proposes to make.
  - 2) Any proposal by an Authority:
    - (i) for the realignment, widening or alteration of the level of any road adjoining the Property; and
    - (ii) which would be likely to materially affect the Property or the use of it.
  - 3) Any obligation to pay money to an Authority in respect of:
    - (i) work performed or to be performed; or
    - (ii) expenses incurred or to be incurred, by an Authority in relation to the Property; or
    - (iii) any sewer, drain, pipe, cable or other installation passing through the Property to provide services to other Property.
  - 4) Any obligation to:
    - (i) construct or repair; or
    - (ii) contribute towards the cost of construction or repair of, a dividing fence between the Property and any adjoining Property.
  - 5) Any encroachment on the Property by a building or other structure on adjoining Property.
  - 6) Any litigation to which the Property is subject or which challenges the Vendor's right to the Property.
  - 7) Any claim by a third party or government or governmental body which challenges the Vendor's right to the Property.
- (b) No building or other structure on the Property encroaches on adjoining Property.
- (c) As far as the Vendor is aware, each dividing fence and wall is on the boundary of the Property.
- (d) The Vendor:
- (i) has good title to the chattels sold together with the Property; and
  - (ii) is, or will be:
    - 1) the sole owner of the chattels sold together with the Property; and
    - 2) except as otherwise specified in the Agreement, the chattels sold together with the Property will be free of any Encumbrance.

- (e) The Property will be in the same state and condition it was in immediately before the Agreement Date.
- (f) As far as the Vendor is aware:
  - (i) no person has any right arising from adverse possession;
  - (ii) no public right of way or easement has been acquired by enjoyment or use; and
  - (iii) no mining lease or licence has been issued under any Act, in respect to the Property.

### **11.3 Disclaimer**

11.3.1 The Purchaser admits that, save and except as stated in this Condition and the Agreement the Purchaser:

- (a) has inspected the Property and purchases it with full knowledge of its actual state and condition and shall take the Property as it stands;
- (b) is buying the Property on the basis of the terms of the Agreement and not in reliance upon any advertisement statement representation or warranty whether written or oral or implied made by or on behalf of the Vendor;
- (c) confirms that no warranty statement or representation has been made or given to the Purchaser that the Property can be used or developed in any particular way or for any particular purpose and the Vendor shall not be liable to the Purchaser if the Property cannot for any reason whatsoever be so used or developed;

11.3.2 The Purchaser may rely on factual representations and warranties made or given by the Vendor to the Purchaser pursuant to Condition 6

## **12. RISK AND INSURANCE**

12.1.1 Risk on the Property remains with the Vendor from the date of Agreement and shall pass to the Purchaser upon Completion or upon the Purchaser taking possession of the Property, whichever is earlier.

12.1.2 The Vendor is under no obligation to the Purchaser to insure the Property unless:-

- (a) The Agreement provides that a policy effected by or for the Vendor and insuring the Property or any part of it against liability for loss or damage is to continue in force, or
- (b) the Property or any part of it is let on terms under which the Vendor (whether as landlord or as tenant) is obliged to insure against loss or damage; or
- (c) The Agreement provides that the Vendor shall insure the Property against fire, damage or destruction or other insurable risks to replacement value until Completion or until possession is given to the Purchaser before Completion.

- 12.1.3 If the Vendor is obliged to insure the Property under condition 12.1.2, the Vendor is to:-
- (a) do everything necessary to maintain the policy;
  - (b) permit the Purchaser to inspect the policy or evidence of its terms;
  - (c) if before Completion the Property suffers loss or damage:-
    - (i) pay to the Purchaser on Completion the amount of the policy monies which the Vendor has received, so far as not applied in repairing or reinstating the Property, and
    - (ii) if no final payment has then been received, assign to the Purchaser, at the Purchaser's expense, all rights to claim under the policy in such form as the Purchaser reasonably requires and pending execution of the assignment hold any policy monies received in trust for the Purchaser
  - (d) cancel the policy on Completion.
- 12.1.4 Where the Property is leasehold and the Property, or any building containing it, is insured by a reversioner or other third party, the Vendor is to use reasonable efforts to ensure that the insurance is maintained until Completion and if, before Completion, the Property or building suffers loss or damage the Vendor is to assign to the Purchaser on Completion, at the Purchaser's expense, such rights as the Vendor may have in the policy monies, in such form as the Purchaser reasonably requires.
- 12.1.5 If payment under a policy effected by or for the Purchaser and payable to the Purchaser is reduced, because the Property is covered against loss or damage by an insurance policy effected by or on behalf of the Vendor, then, unless the Vendor is obliged to insure the Property under condition 12.1.2, the Purchase Price is to be abated by the amount of that reduction provided that the Purchaser shall before effecting the policy of insurance on the Property before the Completion disclose this fact to the Vendor and if requested produce this policy to the Vendor for inspection.
- 12.1.6 If the Property is damaged or destroyed while the Vendor is in breach of the duty to insure under sub-condition 12.1.2 hereof, the Purchaser may either:
- (i) claim from the Vendor on Completion the amount of the loss suffered by the Purchaser or
  - (ii) rescind the Agreement in which case the provisions of Condition 13 apply.

12.1.7 Subject to sub-condition 12.1.6 damage to or destruction of the Property while it is insured is no ground for the rescission of the Agreement.

### **13. REMEDIES**

#### **13.1 Misdescription Error and Misstatement**

13.1.1 No compensation is payable nor may the Agreement be rescinded in respect of any description, measurement or quantity which is substantially correct nor in respect of any matter of which the Purchaser has notice under sub-conditions 4.5.2, 7.2.5 or 16.1.

13.1.2 Subject to sub-condition 13.1.1 where any mis-description, error, omission or mis-statement in the Agreement is pointed out before Completion, the Purchaser may either:

- (a) rescind the Agreement by notice in writing to the Vendor to be given within fourteen (14) days of the discovery of the mis-description, error, omission or mis-statement in which case the provisions of sub-condition 6.4.3 apply; or
- (b) by notice in writing to the Vendor, require the payment or allowance of compensation.

13.1.3 Where the compensation under sub-condition 13.1.2 hereof cannot be agreed between the Parties, it shall be referred to a sole arbitrator agreed between the Parties or in default of agreement appointed by the President or in the absence of the President by the Vice-President of the Law Society of Kenya.

13.1.4 Notwithstanding the foregoing provisions of this Condition:

- (a) where the Property differs substantially from the Property agreed to be sold and purchased; or
  - (b) if any plan or statement in the Agreement, is misleading or inaccurate due to a material error or omission by the Vendor,
- the Purchaser cannot compel the Vendor to complete if the Vendor would be prejudiced thereby and the Vendor will be entitled to rescind the Agreement.

13.1.5 Notwithstanding the foregoing provisions of this Condition:

- (a) When there is a material difference between the descriptions or value of the Property, or of any of the contents included in the Agreement, as represented and as it is, the Purchaser is entitled to rescind the Agreement where the Purchaser would be prejudiced thereby.
- (b) An error or omission only entitles the Purchaser to rescind the Agreement:
  - (i) where it results from fraud or recklessness, or
  - (ii) where he would be obliged, to his prejudice, to accept Property differing substantially (in quantity, quality or tenure) from what the error or omission had led him to expect.

13.1.6 If either party rescinds the Agreement:

- (a) unless the rescission is a result of the Purchaser's breach of Agreement the Deposit is to be repaid to the Purchaser with Accrued Interest; and



- (b) the Purchaser is to return any documents he received from the Vendor and is to cancel any entry made on the register.

### **13.2 Late Completion**

- 13.2.1 If there is default by either or both of the Parties in performing their obligations under the Agreement and Completion is delayed, the Party in default is to pay compensation to the other Party provided the Party not in default is ready able and willing to complete.
- 13.2.2 Compensation is calculated at the Contract Rate on an amount equal to the Purchase Price, less (where the Purchaser is the paying party) any Deposit paid, from period between Completion Date and actual Completion.
- 13.2.3 Any claim for loss resulting from delayed Completion is to be reduced by any compensation paid under the Agreement.
- 13.2.4 Where the Purchaser holds the Property as tenant of the Vendor and Completion is delayed, the Vendor may give notice to the Purchaser, before the Completion Date that he intends to take the net income from the Property until Completion. If he does so, he cannot claim compensation under condition 13.2.1 as well.

### **13.3 After Completion**

Completion does not cancel liability to perform any outstanding obligation under the Agreement.

### **13.4 Purchaser's failure to comply with notice to complete**

- 13.4.1 If the Purchaser fails to complete in accordance with a Completion Notice to complete, the Vendor may rescind the Agreement, and if he does so:
  - (a) the Vendor may without prejudice to his rights in law and at equity:
    - (i) declare forfeited and keep a deposit of up to ten Per centum (10%) of the Purchase Price and accrued interest thereon;
    - (ii) sell the Property and any contents included in the Agreement to a third party;
    - (iii) claim damages from the Purchaser.
  - (b) the Purchaser must immediately return all title deeds and documents in his possession that belong to the Vendor and at his own expense procure the cancellation of any entry relating to the Agreement in any register;
- 13.4.2 The Vendor retains his other rights and remedies.

### **13.5 Vendor's failure to comply with notice to complete**

- 13.5.1 If the Vendor fails to complete in accordance with a Completion Notice to complete, the Purchaser may rescind the Agreement, and if he does so:

- (a) the Vendor shall return the Deposit to the Purchaser together with Accrued Interest; and
- (b) the Purchaser shall return any documents he received from the Vendor and will, at the Vendor's expense, to cancel any entry made on the register.

13.5.2 The Purchaser retains his other rights and remedies at law and in equity but upon demanding the refund of the Deposit the Purchaser shall not have a claim for specific performance.

### **13.6 Resale Procedure**

The following terms apply to the Vendor's right to re-sell the Property:-

- (a) if on any re-sale Contracted within one (1) year after the Completion Date the Vendor incurs a loss, the Purchaser must pay to the Vendor as liquidated damages the amount of such loss;
- (b) the liquidated damages payable by the Purchaser will include all costs and expenses reasonably incurred in any such re-sale or any attempted re-sale but the Vendor must give credit for any deposit and any money paid on account of the Purchase Price and the Vendor will be entitled to retain any surplus money from the resale.

## **14. TAXATION**

### **14.1. Property Tax**

14.1.1. Unless otherwise expressly provided in the Agreement or these Conditions or otherwise mandatorily required by law, the Purchaser is not required to pay to the Vendor or at all any amount in addition to the Purchase Price for Capital Gains Tax under the Income Tax Act or any other Property tax, whether the tax is levied or increased before, on or after Completion.

14.1.2. The Vendor must indemnify the Purchaser for any sum paid by the Purchaser, which is the Vendor's liability under Condition 14.1.1.

### **14.2. VAT**

Where the Vendor is accountable for value added tax on the Purchase Price, the Purchaser shall pay the applicable VAT

### **14.3. Deduction of Tax**

Notwithstanding the indemnity given under Condition 14.1.2, a Vendor:

- (a) who is not resident in Kenya under the provisions of the Income Tax Act (Cap 470); and
- (b) whose gain or profit arising from the sale of the Property is liable to be taxed under the Income Tax Act (Cap 470) (which liability will be presumed), must allow for deduction from the Purchase Price the applicable tax and pay such tax to the relevant tax Authority).

#### **14.4. Stamp Duty**

The Purchaser shall pay all applicable stamp duty for the transfer and within the time stipulated.

### **15. LOCAL AND OTHER AUTHORITIES' REQUIREMENTS**

- 15.1 Where, before the date of the Agreement, the Vendor had notice or would be deemed to have had notice of any requirement, proposal or request (whether or not subject to confirmation by any court or authority) made by or on behalf of any local, county or public authority, compliance with which would involve the expenditure of money on the Property, the Vendor shall indemnify the Purchaser against all liability in respect thereof and, if any liability is outstanding on Completion, the Vendor shall covenant to indemnify the Purchaser upon Transfer of the Property.
- 15.2 Where, after the date of the Agreement, notice of any such requirement, proposal or request is given to the Vendor, he shall forthwith give notice in writing thereof to the Purchaser.
- 15.3 The Purchaser will indemnify the Vendor against liability in respect of any requirement, proposal or request of which he has received notice under sub-condition 15.2 hereof and will on Completion pay to the Vendor all sums, which the Vendor has had to pay in respect thereof together with interest thereon.
- 15.4 Where, before the date of the Agreement, the Vendor had notice of:
  - (a) any closing order, demolition order or clearance order under any law relating to housing and affecting the Property; or
  - (b) any management order made under the Agriculture, Fisheries and Food Authority Act (No. 13 of 2013) affecting the Property; or
  - (c) any notice of proposed compulsory acquisition of the Property or any part thereof; the Purchaser may, by notice in writing to the Vendor, rescind the Agreement and the provisions of sub-condition 6.4.3 apply.

### **16. TENANCIES**

- 16.1 Where the Property is subject to any lease or tenancy, the Purchaser is deemed to take the Property subject to the terms of the lease or tenancy and the sale is not affected by any partial, incomplete or inaccurate statement in the Agreement with reference thereto. No objection may be made on account of the absence of agreement in writing with any tenant and the Purchaser shall accept such evidence of the nature of the tenancy, as the Vendor is able to supply.
- 16.2 Where the Property is leasehold, no objection may be made on account of any discrepancy between the covenants by the tenant in any tenancy agreement or underlease and the lessee's covenants in the lease under which the Property is held, unless such discrepancy may give rise to a forfeiture of the lease.

**17. LAWS AFFECTING THE PROPERTY**

- 17.1 Where the Property is or has been affected by the Rent Restriction Act (Cap. 296), the Landlord and Tenant (Shops, Hotels and Catering Establishments) Act (Cap. 301) or any other law or by any proceedings taken under such laws limiting or controlling the rent or other terms of any tenancy of the Property, within fourteen (14) days of being given notice in writing by the Purchaser, the Vendor shall give to the Purchaser all such information as the Vendor has concerning the recoverable rent of the Property and concerning the compliance with any obligation imposed by the said laws or by any proceedings taken thereunder and affecting the Property.
- 17.2 The Vendor will indemnify the Purchaser against claims arising out of any tenancy in respect of the period prior to the Completion date and the Purchaser will indemnify the Vendor against claims arising out of any tenancy in respect of the period after the Completion date.

**18. RESTRICTIVE AND OTHER COVENANTS**

Where the Agreement provides that any restrictive or other covenant be imposed on the Property or any part thereof, the Purchaser shall covenant with the Vendor in the Transfer that the Purchaser and persons deriving title under him will observe and perform the covenant for the benefit of the Property for which the covenant is made.

**19. SALES BY INSTALMENTS**

- 19.1 Where the Agreement provides for the payment of the Purchase Price by installments and the Purchaser fails to pay any installment on the day on which it becomes due:-
- (a) the Purchaser shall be in breach and the Vendor shall subject to any mandatory provision of law, be entitled to rescind the Agreement for breach provided that the Vendor may elect to grant time and indulgence subject to payment of interest.
  - (b) the Purchaser may at any time give to the Vendor notice in writing of his intention to pre-pay the balance of the Purchase Price and all interest to the date of payment. Any such notice once given shall be irrevocable.
- 19.2 Notice under sub-condition 19.-1 (b) hereof shall be of not less than fourteen (14) days expiring on a day fixed by the Agreement for the payment of an installment.
- 19.3 The Purchaser may, at any time, require the Vendor to transfer the Property to him upon his executing a legal charge in favour of the Vendor securing payment of the balance of the Purchase Price and interest thereon.
- 19.4 The legal charge shall be in a form acceptable to the Vendor.

**20. CONTINUANCE OF CONDITIONS AFTER TRANSFER**

- 20.1 Any Condition or Special Condition to which effect is not given by the Transfer and which is capable of taking effect after Completion remains in full force and effect after Completion.
- 20.2 Where the Transfer does not give full force and effect to the Condition or Special Conditions of the Agreement, either party may apply to the court for the rectification of the Transfer.

## 21. NOTICES

### 21.1 General

21.1.1 Any notice required or authorized by law or by the Agreement to be given to any person is effectively given if:

- (a) it is served personally on that person; or
- (b) it is delivered to his advocate; or
- (c) it is sent by registered post, e-mail or facsimile transmission to his advocate or to his last known address as given in the Agreement.

21.1.2 Any notice posted is deemed to have been received seven (7) days after its posting.

21.1.3A notice or document which is physically received after 5.00pm on a Business Day, or on a day which is not a Business Day, is to be treated as having been received on the next Business Day.

21.1.4 Notice given to one Purchaser is notice to all joint Purchasers.

### 21.2 Requirements for Notice

A Notice to be given under the Agreement must be:

- (a) in writing; and
- (b) in the English language; and
- (c) signed by the Party giving it or that Party's Advocate.

### 21.3 Service by facsimile and e-mail

If a facsimile number and/or e-mail address is specified in the Agreement indicating such number or address as a mode of acceptable communication between the parties, then:

- (a) a Notice to the relevant Party or the Advocate may be transmitted by facsimile to the facsimile number and/or e-mail address specified in the Agreement; and
- (b) a Notice transmitted by e-mail or facsimile will be treated as served:
  - (i) on the day on which it is dispatched or transmitted but if it is dispatched or transmitted after 4.00pm or on a day which is not a Business Day it will be treated as having been served on the next Business Day; and
  - (ii) when the facsimile machine which transmits the Notice prints an acknowledgment that every page comprising that Notice has been transmitted to the specified facsimile number.
- (c) An automated response to a notice or document sent by e-mail that the intended recipient is out of the office is to be treated as proof that the notice or document was not received.

### 21.4 Service when Notice posted

A Notice that has been posted will be treated as served on the seventh ~~third~~ Business Day after the date on which the Notice is posted.

### **21.5 Change of address**

- (a) A Party may by Notice to each other Party change:
  - (i) the Advocate of that Party;
  - (ii) the address of that Party; or
  - (iii) the address of that Party's Advocate; or
  - (iv) a specified facsimile number; or
  - (v) a specified e-mail address
- (b) Where a Notice is given under sub-clause (a) each subsequent Notice to the Party concerned must be served as applicable
  - (i) on the new Advocate of the Party, and
  - (ii) at any new address or specified e-mail or facsimile number.

### **22. PAYMENTS**

All payments shall be made in immediately available funds without deduction or set-off and free of exchange, bank commission and other charges.

### **23. LEGAL COSTS**

Subject to condition 24.6, the Parties shall pay the legal charges of their own advocates of and incidental to the preparation and Completion of the Agreement and of the Transfer but all legal charges of both Parties of and incidental to the preparation and Completion of any charge and all stamp duties registration fees and search fees shall be paid by the Purchaser.

### **24. SECTIONAL PROPERTIES**

- 24.1 Sectional Properties shall mean land and buildings forming part of a development by way of division of buildings into units to be owned by individual proprietors and common property to be owned by proprietors of the units as tenants in common.
- 24.2 Subject to Condition 24.3, the Vendor's Advocates shall prepare and cause to be stamped and/or registered as the case may be all relevant documentation relating to sectional properties including the Agreement and Lease.
- 24.3 Where the Purchaser is being financed, the Chargee's Advocates will prepare the Charge and forward the Charge to the Vendor's Advocates who will undertake registration of the Charge simultaneously with the registration of the title document subject to condition 8.3.1 (b).
- 24.4 A developer of sectional property must incorporate a management company and shall transfer his/her/its reversionary interest to the management company upon registration of the last title to the unit.
- 24.5 Every Purchaser to a sectional property shall be entitled to one share in the management company for each unit purchased.
- 24.6 A Purchaser of sectional property shall meet the legal charges of the Vendor's Advocates, Purchaser's Advocates and Chargee's Advocates (if any).

## **25. GENERAL**

### **25.1 Waivers, remedies cumulative**

No failure or delay by the Vendor in exercising any right, power or privilege under the Agreement shall impair the same or operate as a waiver for the same nor shall any single or partial exercise of any right, power or privilege preclude any further exercise of the same or the exercise of any other right, power or privilege. Subject to the provisions of the Agreement, the rights and remedies provided in the Agreement are cumulative and not exclusive of any rights and remedies provided by law.

### **25.2. Severability**

Each of the provisions of the Agreement are severable and distinct from the others and if at any time one or more of such provisions is or becomes invalid, illegal or unenforceable the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

### **25.3 Enduring nature of Contract**

The Agreement shall continue to be in force and effect, notwithstanding completion having taken place, for as long as may be necessary for the mutual reliance on the provisions of the Agreement by the Parties.

### **25.4 Insolvency of the Purchaser**

24.4.1 If the Purchaser:

- (a) enters into voluntary liquidation (other than for the purpose of reconstruction or amalgamation not involving a realisation of assets) or has a winding-up order made against it by the court or has a receiver appointed over all or any part of its assets or an administration order is made pursuant to any Act or regulation; or
- (b) becomes insolvent or enters into any composition with its or his creditors or enters into a voluntary arrangement (within the meaning of the any Act) then and in any such case the Vendor may rescind the Agreement by notice to the Purchaser and the Deposit (together with any accrued interest) shall belong to the Vendor.

### **25.5 Jurisdiction and governing law**

The Agreement shall be governed by and construed in accordance with Kenyan law and the Parties submit to the non-exclusive jurisdiction of the Kenyan courts.

### **25.6 Notices**

The Parties irrevocably appoint their respective Advocates as their agents for service to receive on their behalf service of proceedings in the Kenyan courts or in any other court or courts of competent jurisdiction.

### 25.7 **Intention to Bind**

Each of the Parties to an Agreement agree and confirm for the purposes of the Law of Contract Act (Chapter 23 of the Laws of Kenya) that he/she/it has executed the Agreement with the intention to bind himself/herself/itself to the contents thereof.

### 25.8 **Special Conditions**

If there is any conflict or repugnancy between these Conditions and any special conditions agreed to under the Agreement, the latter shall prevail.

These Conditions will be treated as having been modified so far as is necessary to give full effect to such special conditions.

## 25. **TRANSITION**

- a) The LSK Conditions of Sale 1989 are hereby repealed.
- b) Reference to the LSK Conditions of Sale in Agreements or memoranda executed after the date of gazettment of these Conditions means reference to Law Society Conditions of Sale 2015.
- c) Agreements and memoranda concluded prior to these Conditions of Sale being adopted shall be governed by the LSK Conditions of Sale 1989.



**AGREEMENT FOR SALE LAYOUT**

**AGREEMENT FOR SALE**

**THIS AGREEMENT** is made the .....day of .....20.....

**BETWEEN:-**

1. ("the Vendor") of P.O. Box , and
2. ("the Purchaser") of P.O. Box ,

**WHEREAS**

The Vendor is registered as proprietor of **ALL THAT**

(hereinafter referred to as "**the property**")

The Vendor is willing to sell and the Purchaser is willing to buy the property at a consideration of ( ) free from all encumbrances.

**NOW IT IS HEREBY AGREED** as follows:-

1. In this Agreement and in the schedule hereto:-

The following words and expressions (save where the context requires otherwise) bear the following meanings:-

**"The Purchase Price"** means the sum of

**"The Vendors' Advocates"** means

**"The Purchasers' Advocates"** means

**"The Transfer"** means the transfer of the Vendor's right, title and interest in the property to the Purchaser or Purchaser's Nominee in the form acceptable to the Purchaser;

- 1.2 Words importing the singular meaning where the context so admits include the plural meaning and vice versa.

1.3 Where the context so admits the expressions “the Vendor” and “the Purchaser” includes the respective personal representatives, nominees and assigns of the Vendor and the Purchaser.

## **2. AGREEMENT FOR SALE AND INTEREST SOLD**

2.1 The Vendor has agreed to sell and the Purchaser has agreed to purchase the Property at the purchase price.

2.2 The interest sold is

## **3. PURCHASE PRICE AND DEPOSIT**

3.1 The Purchaser shall upon execution of this agreement pay a deposit in the sum of Kenya Shillings (Ksh ) to the Vendor’s Advocates to hold as stakeholder pending completion.

3.2 The Balance of the purchase price in the sum of Kenya Shillings (Ksh ) shall be paid to the Vendor’s Advocates within fourteen (14) days of the successful registration of the Transfer in favour of the Purchaser and Charge in favour of the Purchaser’s Financier (if any) however not later than the completion date.

## **4. COMPLETION**

4.1 The Completion Date shall be on or before the expiry of Ninety (90) days next following the date this agreement.

4.2 In exchange for the Purchase Price or a suitable undertaking to pay the balance of the Purchase price, the Vendor’s Advocates shall deliver to the Purchaser’s/ Financier’s Advocates the following;

- (i) The original Title document of the said property;
- (ii) Valid Land Rent Clearance Certificate (if applicable);
- (iii) Valid Rates Clearance Certificate (if applicable);
- (iv) Consent to transfer from the relevant authority (if applicable);
- (v) Duly executed Discharge of Charge (in triplicate) (if applicable);
- (vi) Duly executed undated Transfer (in triplicate) in favour of the purchaser and/or his nominee;
- (vii) Copies of the Identity Cards / Passports and PIN Certificates of the Vendor and/or its directors (if applicable) duly certified;
- (viii) Three passport size coloured photographs of the Vendor;
- (ix) Any other document necessary to effect registration of the transfer in favour of the purchaser, including copies of the Transfer by way of sale.

## **5. MATTERS AFFECTING THE PROPERTY**

- 5.1 The Property is sold subject to and with the benefit of all easements quasi easements rights exceptions and other similar matters which are apparent on inspection or disclosed in any of the documents referred to in this Agreement.
- 5.2 The property is otherwise sold in the condition it is at present and the Vendor shall not be required to repair the same or make any further improvements.
- 5.3 Prior to the completion date the Vendor shall point out the boundary and beacons on the property.

## **6. POSSESSION**

The property shall be sold with vacant possession / subject to a tenancy (delete as appropriate).

## **7. BREACH OF AGREEMENT BY EITHER PARTY**

- 7.1 If the Purchaser shall fail to comply with any provisions of this Agreement including the provisions as to payment of the Purchase Price the Vendor shall be entitled to serve a Notice in writing upon the Purchaser requiring the Purchaser to remedy the same within Twenty One (21) days from the date on which such notice is served on the Purchaser. If the Purchaser shall fail to remedy the breach before the expiry of the said Notice then the Vendor shall be entitled at the Vendor's absolute discretion either;
- (a) To extend the time for completion; or
  - (b) To rescind this Agreement by notice on that behalf to the Purchaser; and
  - (c) To retain Ten Percentum (10%) of the Purchase Price as liquidated damages.
- 7.2 If for any reason the Vendor shall be unable to complete this transaction by the completion date then the Purchaser shall be entitled to serve a Notice in writing upon the Vendor requiring the Vendor to complete the said transaction within Twenty One (21) days from the date upon which such Notice is served on the vendor. If the Vendor shall fail to complete the said transaction before the expiry of the said Notice then the Purchaser shall be entitled to at the Purchaser's absolute discretion either;
- (a) To extend the time for completion; or
  - (b) To rescind this Agreement by Notice in writing in that behalf to the Vendor or
  - (c) To immediately demand and require a full refund of the deposit.

## **8. LAW SOCIETY CONDITIONS OF SALE**

The Law Society Conditions of Sale (2015 Edition) so far as they are not varied by or inconsistent with the conditions herein are deemed to be incorporated in this Agreement.

## **9. COSTS**

Each party shall pay the legal charges of their own Advocates of and incidental to the preparation and completion of this Agreement and Transfer.

**10. MISCELLANEOUS**

- 10.1 No failure or delay to exercise any power, right or remedy shall operate as a waiver of that right, power or remedy and no single or partial exercise or any right, power or remedy shall preclude its further exercise or the exercise of any other right, power of remedy.
- 10.2 Rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.
- 10.3 If any term or conditions of this Agreement shall to any extent be found or held to be invalid or unenforceable the parties shall negotiate in good faith to amend such term and condition so as to make the same valid and enforceable.
- 10.4 If any term or condition of this Agreement shall to any extent be invalid or unenforceable the remainder of this Agreement shall not be affected and the other terms and conditions shall be valid and enforceable to the full extent permitted by law.
- 10.5 Notwithstanding completion all the provisions of this Agreement shall continue in full force and effect to the extent that any of them remain to be implemented or performed.

**11. NOTICES**

Any notice required to be given hereunder shall be sufficiently served on the Purchaser if forwarded to him or by registered post to his last known postal address in Kenya and shall be sufficiently served on the Vendor if delivered to its or forwarded to its last known postal address in Kenya by registered post by registered post. A notice given by post shall be deemed to have been served Seven (7) days after the date of posting.

**12. JURISDICTION**

This Agreement shall be interpreted according to the Laws of Kenya and the parties hereby submit to the jurisdiction of the Courts of Kenya.

**IN WITNESS WHEREOF** this agreement has been duly executed by the parties hereto on the day and the year first hereinabove written.

**IN WITNESS WHEREOF** this Agreement has been executed as a Deed the day and year first hereinabove written.

**[Where the Vendor is an individual]**

**SIGNED** by the Vendor the said )  
 ..... )  
 in the presence of:- )

..... )  
 Name of Attesting Witness: )  
 ..... )  
 Address of witness: )  
 ..... )  
 Occupation of witness: )  
 ..... )  
 Advocate )

**I CERTIFY** that the above named ..... appeared before me on the ..... day of ..... 20....., and being known to me/identified by .....of ..... acknowledged the above signature to be his/hers and that he/she had freely and voluntarily executed this Agreement and understood its contents and the financial legal and economic implications thereof.

.....  
**ADVOCATE**

**[Where the Vendor is a Company]**

**SEALED** with the Common Seal of ..... )  
 the Vendor in the presence of: - )

**DIRECTOR** )  
 )  
 )

**DIRECTOR/SECRETARY** )  
 )  
 )

**I CERTIFY** that the above named ..... and ..... Director and Director/Secretary respectively appeared before me on the ..... day of ..... 20.., and being known to me/identified by ..... of ..... acknowledged the above signatures or marks to be theirs respectively and that they have freely and voluntarily executed this Agreement and understood its contents and the financial legal and economic implications thereof.

.....  
**ADVOCATE**

**[Where the Purchaser is an individual]**

**SIGNED** by the Purchaser the said )  
 ..... )  
 in the presence of:- )  
 ..... )  
 Name of Attesting Witness: )  
 ..... )  
 Address of witness: )  
 ..... )  
 Occupation of witness: )  
 ..... )  
 Advocate )

**I CERTIFY** that the above named ..... appeared before me on the ..... day of ..... 20....., and being known to me/identified by .....of ..... acknowledged the above signature to be his/hers and that he/she had freely and voluntarily executed this Agreement and understood its contents and the financial legal and economic implications thereof.

.....  
**ADVOCATE**

**[Where the Purchaser is a Company]**

**SEALED** with the Common Seal of )  
 the Purchaser in the presence of:- )  
 ..... )  
**DIRECTOR** )  
 ..... )  
**DIRECTOR/SECRETARY** )  
 ..... )

**I CERTIFY** that the above named ..... and ..... Director and Director/Secretary respectively appeared before me on the ..... day of ..... 2011, and being known to me/identified by ..... of ..... acknowledged the above signatures or marks to be theirs respectively and that they have freely and voluntarily executed this Agreement and understood its contents and the financial legal and economic implications thereof.

.....

**ADVOCATE**

**SPOUSAL CONSENT AND EXECUTION**

**In relation to the Sale of Land Reference Number /Title Number**

.....

I/We ..... being the holder(s) of National Identity Card Number(s)..... and of P.O Box Number.....being the spouse(s) of the Vendor hereby acknowledge and declare that :-

1. I/We have full knowledge of this Agreement;
2. I/We understand the nature and effect of this Agreement;
3. Neither the Vendor nor the Purchaser have used any compulsion or threat or exercised undue influence on me/us to induce me/us to execute this consent;
4. I/We acknowledge that I/We have been advised to take and have taken independent legal advice regarding the nature remedies and effect of this Agreement and understand the nature of this commercial transaction;

**AND I/We HEREBY CONSENT** to the said Agreement

.....

Signature of spouse(s)

Name and signature of person certifying:.....

**Verification of execution pursuant to Section 45 of the Land Registration Act**

**I CERTIFY** that the above-named spouse(s)appeared before me on the ..... day of ..... 20.....and being known to me/being identified by ..... of..... acknowledged the above signature or mark to be his/hers/theirs and that he/she/they had freely and voluntarily executed this instrument and understood its contents.

.....

*Name and signature of person certifying*

**DRAWN BY:**

ADVOCATE  
P.O. BOX

\_\_\_\_\_