



Shop no 3, Capitol Towers North, 225 Vermeulen/Madiba Street, Pretoria Central 0002

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Email: wstander@icon.co.za (Werner)

BUILDING CONTRACT

entered into between

WERNER STANDER DEVELOPMENT cc

cc 99/004326/23

(herein after referred to THE CONTRACTOR)

and

(herein after referred to as THE CLIENT)

Relating to the construction of a house on erf _____ in the township of _____ WHEREAS THE CLIENT has concluded a Deed of Sale with THE CONTRACTOR and is desirous to erect a house on the said erf, and WHEREAS THE CLIENT has applied to _____ for a mortgage loan to fund the erection of the said house, and WHEREAS THE CONTRACTOR is willing and able to erect the house on the erf on behalf of THE CLIENT.

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

1. AGREEMENT

- 1.1 THE CONTRACTOR undertakes to erect a house (THE WORKS) on behalf of THE CLIENT, on the stand _____ in the township of _____ (the PROPERTY) in accordance with the building plan, specifications and schedule of finishes as attached hereto.
- 1.2 THE CLIENT will be liable to pay an amount of R _____ (VAT Included) for the construction of a house on the property, as calculated on the Price Structure. (VAT Included)
- 1.3 The remuneration shall be paid by THE CLIENT to THE CONTRACTOR from the proceeds of the long term housing loan of R _____ (VAT Included) approved by _____ as follows:
 - 1.3.1 2 (Two) progress payments will be submitted as follows:
 - 1.3.2 40% (Forty per cent) upon completion of THE WORKS up to roof height, and;
 - 1.3.3 The balance of 60% (sixty per cent) upon completion of THE WORKS.
- 1.4 CLIENT shall ensure that any deposit that may be required by the said financial institution shall be paid directly to the transferring attorneys or into Werner Stander Development cc's account as the marketing agent may indicate in writing. In all the instances only the deposit slip from the financial institution or the bank shall act as receipt for the payment.



2. SUSPENSIVE CONDITIONS

- 2.1 The provision of the agreement shall only become enforceable upon:
- 2.1.1 The granting by _____ of a long term home loan in favour of THE CLIENT against security of a first mortgage bond to be registered in respect of the property; and
- 2.1.2 The Conclusion of a Deed of Sale between THE CLIENT and THE CONTRACTOR.
- 2.2 In the event that the suspensive conditions mentioned in paragraph 2.1 are not fulfilled within four (4) months after signature hereof by THE CONTRACTOR, this agreement shall lapse in total and neither party shall be liable to the other for any loss or damage suffered as a result of non-fulfillment.

3. RIGHT TO SUB-CONTRACT

- 3.1 THE CONTRACTOR is entitled to enter into contracts with any third party to sub-contract any of THE WORKS, provided that the rights of THE CLIENT in terms of this agreement as against THE CONTRACTOR shall not be affected in any way by such sub-contracting agreement.

4. COMMENCEMENT AND COMPLETION

THE CONTRACTOR SHALL:

- 4.1 Only commence with the construction of THE WORKS upon registration of a mortgage bond in favour of the relevant financial institution and shall commence with the construction of THE WORKS by not later than thirty (30) days after THE CONTRACTOR has been notified, conditions permitting.
- 4.2 Complete THE WORKS within a reasonable period, in any event within four (4) months of the date of commence, conditions permitting.
- 4.3 Remove all building rubble from the property upon completion of THE WORKS.
- 4.4 Werner Stander Development reserves the right to adjust prices in the event of price increases after a period of 90 (ninety) days of signature of the said building contract.

5. SECURITY FOR PAYMENT

- 5.1 The PURCHASER irrevocably cedes as security for due payment to the BUILDER the total proceeds of the building loan and his rights to obtain payments under the bond to the BUILDER.
- 5.2 The PURCHASER undertakes to complete the relevant financial institution forms to give effect hereto. The PURCHASER undertakes not to instruct the financial institution to withhold any draw to the BUILDER if the Valuer of the financial institution is of opinion that the draw can be paid out.
- 5.3 The Builder is hereby irrevocably authorised and empowered to receive direct payments of the progress payments from the financial institution concerned and the PURCHASER agrees to sign the necessary Authorisations for such payments as and when required to do so by the Builder.

6. OCCUPATION AND RISK

- 6.1 THE CLIENT shall take occupation of THE WORKS upon completion of THE WORKS. The parties also agree that possession and occupation of the property will only be given to the PURCHASER on the date that the last payment to the builder has been effected, provided that the PURCHASER has complied with all other conditions of this agreement.



THE CLIENT shall within seven (7) days thereafter deliver a list of all defects and/or unfinished work to THE CONTRACTOR, who shall rectify these defects and or unfinished work at its own expenses within a reasonable period after receipt of the defects list.

- 6.2 All latent defects, shrinkage and/or errors which may appear within three (3) months after occupation of THE WORKS by THE CLIENT, due to defective material, design and structural defects and/or poor craftsmanship, shall be rectified by THE CONTRACTOR within a reasonable time.
- 6.3 Latent defects, shrinkage and/or other errors which appear within twelve (12) months after occupation of THE WORKS by THE CLIENT, due to any damp penetration thereof, shall be rectified by THE CONTRACTOR at its own expense within a reasonable time.
- 6.4 THE CONTRACTOR shall be obliged to comply with all applicable local authority by-laws with regard to the construction of THE WORKS.

7. LIABILITY FOR SERVICE CHARGES

THE CLIENT shall be liable for all metered and other services charges in respect of the property upon certification of completion of THE WORKS by the financial institution’s inspector.

8. AUTHORISED ADDRESS

The parties hereby choose the following addresses as the addresses to which all written notices shall be delivered and at which all court processes shall be served under this agreement:

THE CLIENT	
PHYSICAL ADDRESS:	POSTAL ADDRESS:
THE CONTRACTOR	
PHYSICAL ADDRESS:	POSTAL ADDRESS:
Werner Stander Development cc Shop no 3 Capitol Towers North 225 Vermeulen/Madiba Street Pretoria Central PRETORIA	PO Box 1581 FAERIE GLEN PRETORIA 0043

9. JURISDICTION

The parties hereby consent to the jurisdiction of the magistrate’s court for any action which may arise out of this agreement, where such magistrate’s court has jurisdiction over the defendant by virtue of this geographic location.



10. SOLE AGREEMENT

This agreement constitutes the entire contract between the parties and no other conditions, stipulations, warranties or representations have been made other than this included herein.

11. VARIATION

No variation, amendment or consensual of this agreement shall be binding unless reduced to writing and signed by the parties hereto.

THUS DONE AND SIGNED AT _____ ON _____ 20__

For and on behalf of THE CONTRACTOR: _____

THUS DONE AND SIGNED AT _____ ON _____ 20__

CLIENT 1: _____ CLIENT 2: _____