

1. Linda, an old college mate of yours who dropped out of law school after the first year, is selling her property to Soja Boii. Linda has copy pasted a sale agreement precedent as she does not intend to pay any legal fees. She asks you to meet her at the local cyber-café where she will seek your advice on the Sale Agreement over a cup of coffee once she prints it. She points out the following clauses (outlined below in italics) and seeks to know from you what each is intended to mean given the bold sub-headings and whether they have been properly drafted. She also seeks to know if you could redraft for her any of the clauses assuming you form the opinion that they have not been properly drafted. She does let you know that the agreed purchase price is Kshs.9.5 Million and that the property is still under construction by her private contractor Purvi. She also shows you a scanned copy of the Title document which is an old tattered looking Indenture of Conveyance dated 5.8.1941. The property is situate in rural Kiambu where Mr. Boii was born.

The clauses in question read:-

Clause 3 **Purchase Price and Deposit**

Amount of KShs.9,500,000/= or such other amount as shall be determined by the Vendor depending on the valuation and the market forces in the construction industry. A deposit of 50% is payable upon the execution of the Sale Agreement to the Vendor's agent.

Clause 5 **Completion & Completion Documents**

Completion shall take place after the registration of the Transfer in favour of the Purchaser.

Clause 8 **Stamp Duty & Other Disbursements**

The Purchaser shall pay Stamp Duty of KShs.190,000/= being 2% of the purchase price to the Vendor who shall cause the Transfer to be registered within 15 days.

Clause 12 **Vacant Possession**

Possession is to be delivered on completion of the construction.

Clause 13 **Moveables**

The sale price excludes fixtures and fittings not listed in the schedule hereto.

Taking cue from the headings to the clauses, advise Linda on each of the five clauses. You may redraw the clauses but an assumption is to be made that the Law Society Conditions of Sale (1989 ed) are not part of the Agreement. **[15 Marks]**

2. You have recently been recruited as an Associate in the City Law Firm of Lil, Wayne & Company Advocates. Walter and Orpah, a couple wants to purchase a property which they have identified through Ted, an estate agent. They will have to obtain financing for part of the purchase price from Davo Bank. However the bank also wants another security in the form of a Charge over Walter's aging and ailing father's 10 acre farm. They are sure to raise 50% of the purchase price and have paid 5%. The Vendors are Qwinton and Elizabeth both whose father is a well established client of your firm. Qwinton would like your firm to act for them as well in order to speed things and synchronize the transaction with yet another transaction involving an Apartment he is purchasing. Walter had scheduled an appointment with your Senior Partner but