

1. Evans Muriuki is desirous of developing 24 luxury apartments in Watamu on a parcel of land registered as Title Deed Gede/Kirepwe/Kilifi/289 registered under the provisions of the Registered Land Act. The parcel of land is situated next to the Indian Ocean and the area generally zoned by Kilifi Municipal Council as a marine conservation "protected" area due to its fragile ecosystem. The architectural design for the luxury "homes" project has been approved by the council but an Environmental Impact Assessment (EIA) licence is yet to be issued by the National Environmental Management Authority (NEMA). The sale price of the units is Kshs.10,500,000/= per apartment. The vendor has issued letters to offer to prospective purchasers. A section of the letter of offer issued to Alice Kipyego your client reads as follows;

*Clause 2.2 The purchase price payable per apartment shall be Kshs.10,500,000/= out of which the purchaser shall pay the vendor Kshs.5,000,000/= as commitment fees immediately upon the signing of this letter. The balance of Kshs.5,500,000/= will be paid as follows;*

*Kshs.3,500,000/= within 60 days of the date of this letter and Kshs.2,000,000/= within 120 days of the date of this letter.*

*Clause 3. Incidental costs*

- 3.1 *The Vendor will pay architects fees and concept development fees;*
- 3.2 *The Purchaser will bear all costs incidental to the purchase of its apartment including but not limited to the legal fees, stamp duty and other fees required to effect transfer of the apartments to its name;*
- 3.3 *The Purchaser will also bear the costs of setting up a management company which shall be incorporated upon completion of the project;*
- 3.4 *The estimated costs are based on professional advice. The final costs may vary slightly.*

*4. Completion date*

- 4.1 *The Completion of the sale and purchase will be approximately 18 – 24 months.*
- 5.1 *This offer is valid for 7 days only from the date of issue.*

The letter of offer is dated 25<sup>th</sup> July 2012

The units are yet to be constructed but your clients Alice Kipyego has agreed to purchase 2 units on the basis of the approved architectural designs and other "building documents" to be inspected at the vendor's office. The letter of offer also expressly provides that the Sectional Properties Act 1987 will apply to this contract, save that the vendor will not hold any deposit paid in trust for the purchaser.

- a.) What document(s) will you require from the vendor or his advocates immediately upon acceptance of the offer by the purchaser to safeguard your client's interests any why?

(3 marks)