

**SCHEDULE 1
GENERAL TERMS AND CONDITIONS**

1. Definitions

Unless the context dictates otherwise –

- 1.1. “**agreement**” or “**lease**” means the agreement between the parties which includes the Main Agreement, these **General Terms and Conditions** and the **House Rules**;
- 1.2. “**main agreement**” is the document signed by the parties to which these **General Terms and Conditions** and the **House Rules** are attached;
- 1.3. “**commencement date**” means the date on which occupation will be taken of the premises and when payment of the total monthly rental will commence;
- 1.4. “**common areas**” means all areas of the premises which have not been reserved for the exclusive use and occupation of any lessee, including the garden;
- 1.5. “**deposit**” means the amount of money which the lessee is required to pay as security and which is repayable to the lessee subject to the deduction of any amounts owing to the lessor at the end of the lease in respect of damage during the lease period;
- 1.6. “**House Rules**” means the rules for the premises in the form that they exist from time to time to be complied with by lessees, the initial set of which are attached to the agreement as **Schedule 2** and which the lessor may amend from time to time in accordance with 25 below;
- 1.7. “**municipal services**” means the services provided by the municipality to the premises for the account of the lessee e.g. water and electricity; refuse removal, sewer charges and the like,
- 1.8. “**premises**” means the property as described in the agreement;
- 1.9. expressions in the singular also include the plural, and *vice versa*, words and phrases

denoting natural persons refer also to juristic persons, and *vice versa*, and reference to any gender include the others.

2. Payment obligations of the lessee

- 2.1. Initial rental for occupation shall be calculated on a pro-rata basis if the lessee takes occupation before or after the 1st of the month.
- 2.2. The lessee shall pay the rental without any deduction, in advance, before or on the first day of the month, commencing on the commencement date, by way of a debit order signed with the CAPITAL CITY HOUSING NPC directly into the lessor's bank account.
- 2.3. In the event that the lessee pays cash into the CAPITAL CITY HOUSING NPC bank account, the lessee will be liable for a monthly administration fee of R30.00 including cash deposit fees. Such amount may vary from time to time.
- 2.4. In the event that the lessee pays via debit order and that debit order is not honoured by their bank, the lessee shall be liable for an administration fee, per occasion of R 55.00. Such amount may vary from time to time.
- 2.5. If the lessee does not pay the rental on time the lessor will charge interest at 12%.
- 2.6. Where legal action is taken by the lessor against the lessee for recovery of monies due, the lessee will be responsible for the payment of attorney fees on the attorney and own client scale.

3. State of the premises (Incoming Inspection)

- 3.1. The premises, on the commencement date, will be in good condition, subject to what follows below.
- 3.2. On or before the commencement date, the lessor and the lessee

will inspect the premises to determine whether there are any defects and will record any such defects and the period in which such defects will be made good by the lessor in a written report.

- 3.3. Both the lessee and the lessor must receive a copy of the report, which shall be signed by both parties.
- 3.4. The lessor at its sole discretion may rectify any defects resulting from the inspection.
- 3.5. All defects recorded during the defects liability period in the case of a new premises shall be rectified by the lessor on condition that it is reported to the lessor by the lessee on the prescribed maintenance complaint form. Any defects not reported within three months of the lessee taking occupation of the premises or the defects liability period having expired shall be for the account of the lessee.

4. Rental and Levy Increase

- 4.1. The lessor reviews rentals, parking fees and levies annually and shall increase the total rental set out in clause 4 of the main agreement once a year on 1st of July irrespective of the date that the lessee takes occupation of the premises.
- 4.2. The lessor must give the lessee at least 30 (thirty) days written notice of any such increase.

5. Municipal services

- 5.1. The lessee is responsible for concluding agreements with the municipality for the provision of municipal services and must affect payment directly to the municipality.
- 5.2. The lessor shall recover through legal processes from the lessee all amounts outstanding to the municipality and shall terminate the service where amounts are outstanding.
- 5.3. The lessee acknowledges that electricity and water are supplied

by the lessor via a pre-paid metering system and vouchers are only available from the offices of the lessor Monday to Friday, 8am -4.30pm.

- 5.4. The lessee is responsible for all other service and related charges levied by the Municipality.

Prepaid Water Installations

- 5.5. The lessee warrants by signing the incoming inspection in clause 3 that the prepaid water installation including the meter, keypad and seals are in proper working order.
- 5.6. Any tampering with the prepaid water installation in whatever form shall render this agreement terminated by the lessor, and a fine of a minimum of R2500 shall be payable by the lessee to the lessor.
- 5.7. The lessee will be required to vacate the premises on 30 days' notice
- 5.8. The lessee shall be liable for water consumed during the period and cost of repairing or replacing the entire installation or elements thereof. The minimum cost shall be R2500.00 for the replacement of the water meter and key pad replacement shall be R1000, which cost shall vary from time to time.

6. Prepaid Electrical Installations

- 6.1. The Lessee warrants by signing the incoming inspection in clause 3 that the electrical installation including the meter and seals are in proper working order.
- 6.2. Any tampering with the installation in whatever form shall render this agreement terminated by the lessor.
- 6.3. The lessee will be required to vacate the premises on 30 days' notice.
- 6.4. The lessee shall be liable for electricity consumed during the period and the cost of repairing or replacing the entire installation or elements thereof. The minimum cost shall be R2500.00

for the replacement of the electrical meter, which cost shall vary from time to time.

7. Fire Hoses

7.1 Any lessee, or member of the household or visitor found tampering with the fire hose shall be liable for a minimum fine of R1000.00 or the cost of repairing the installation whichever is the greater. Furthermore, illegally broken fire hose seals result in a cost being raised against the entire block.

7.2 The CAPITAL CITY HOUSING NPC shall reserve the right to terminate this agreement on 30 days' notice where tampering in 7.1 above has occurred.

8. Conduct

8.1 The consumption of alcohol, use of drugs by any persons in any common area including the stair cases, parking areas, play areas or areas between buildings is strictly prohibited.

8.2 The carrying and displaying of firearms on any part of the premises with the exception of the lessees unit is prohibited.

8.3 The CAPITAL CITY HOUSING NPC shall terminate this agreement on 30 days' notice on contravention of the above.

9. Service Providers

9.1 The CAPITAL CITY HOUSING NPC will appoint service providers at its sole discretion to undertake various services including but not limited to maintenance, security, cleaning, gardening, etc.

9.2 These service providers shall act on instructions solely of the CAPITAL CITY HOUSING NPC and shall not be liable to lessees in any way whatsoever.

9.3 Where a lessee does not keep an appointment with a service provider to undertake daily or planned maintenance, the lessee shall be liable for the call out fee

of the service provider which fee the CAPITAL CITY HOUSING NPC shall charge to the lessees rent account.

10. Lessor's maintenance obligations

Unless stated otherwise in the main agreement, the lessor must keep the outside and the structure of the premises in a good state of repair throughout the lease period, and must take care of all normal maintenance required on the outside or the structure of the premises.

11. Lessee's maintenance obligations

11.1. Throughout the lease period the lessee must maintain the inside of the premises in good order and condition and carry out at the lessee's own costs small maintenance inside the premises which include:

- any painting inside the premises;
- replacement of broken glass windows or mirrors;
- usual replacements and repairs to door handles, locks and hinges, switches and doorbells;
- maintenance of taps and toilet cistern and seat;
- light bulb replacement;
- all other small repairs and replacements required from time to time.

11.2. The lessee is liable for any damages caused by the lessee, his or her dependants, other occupants (including instances where the unit has been sub let) or visitors during the lease period, fair wear and tear accepted.

11.3. The maintenance of internal fittings including the plumbing and electrical system in the premises is generally the responsibility of the lessor. The lessee, however, must keep and maintain the sewerage pipes and drains in or from the premises free from obstruction or blockage and in good working order. Should repairs to the plumbing system be required as a result of the lessee's negligence the costs of such repairs may be claimed from the lessee.

- 11.4. The lessee has no right to withhold or deduct any rental because of maintenance works undertaken to the premises.
12. **Entering the premises**
- 12.1. Representatives of the lessor or contractors engaged by the lessor may at all reasonable times enter and inspect the premises. Where possible, such inspections will take place by prior arrangement with the lessee.
- 12.2. The lessee must allow the lessor to carry out all maintenance works necessary to the premises.
- 12.3. In an emergency, the premises may be entered without giving notice to the lessee.
13. **Structural alterations**
- 13.1. The lessee must not make any structural alterations and additions to the premises.
- 13.2. Any additions to the interior such as built in cupboards made with the lessor's consent must be carried out by the lessee:
- at the lessee's cost;
 - should the lessor so require, under the supervision of a suitably qualified service provider approved by the lessor, who the lessee shall pay;
 - in accordance with any other reasonable conditions and requirements stipulated by the lessor.
- 13.3. The lessee is obliged to carry out maintenance works to additions done by him or herself at his or her own costs.
- 13.4. The lessee will not be reimbursed or compensated by the lessor in respect of any additions.
- 13.5. The lessee will not be entitled to remove any additions which have been made and, on termination of the lease agreement the additions will

remain the property of the lessor without compensation.

14. **Refurbishment**

- 14.1. Should the lessor decide to refurbish the premises the lessor may require the lessee to vacate the premises for a reasonable period.
- 14.2. The lessor must try to minimise the disruption caused by refurbishment to the lessee and may not require the lessee to pay rental for the period which the lessee is required to vacate the premises.

15. **Termination**

- 15.1. The agreement will, subject to 15.7 below, remain in force for so long as the lessee meets his/her obligations hereunder or until terminated by the lessee on 1 (one) calendar month's written notice to the lessor or until the lessee has breached any term of this agreement as set out below.
- 15.2. The lessor may cancel the agreement without notice to the lessee in the event of the lessee:
- failing to make payment of the full rental on or before the 1st day of the month in respect of which the rental is payable in terms of this lease agreement;
 - Committing any other breach of this agreement including the House Rules.
 - Tampering with the prepaid electricity or water system
- 15.3. The lessor's remedies under 15.2 are additional to any other remedies that the lessor may have.
- 15.4. Should the lessor cancel the agreement and the lessee disputes the lessor's right to do so and remain in occupation of the premises then pending the determination of the dispute –
- the lessee shall continue to make payment of the total rental on due date;

- the lessor’s acceptance of those payments will not in any manner affect its right to cancel the agreement or to any remedy it may have.
- 15.5. Should the dispute between the lessee and the lessor be determined in favour of the lessor, the payments made in terms of 15.4 will be regarded as amounts paid by the lessee on account of the loss sustained by the lessor as a result of the holding of the premises by the lessee.
- 15.6. Should it become necessary for any party to enforce its rights in terms of this agreement, the successful party shall be entitled to legal costs at the attorney-and-own-client scale.
- 15.7. The lessor may terminate the agreement on 6 (**six**) months notice to the lessee if the property needs to be demolished or if the lessor is otherwise deprived of the property or if the property needs to be sold because of non-payment of rental by lessees.
- 15.8. The notice period indicated in 15.1 shall take effect from the 1st day of the month, notwithstanding the date of commencement of this lease agreement. Authorised officials of the lessor shall have the right to show the premises to prospective lessees, or the lessee shall permit prospective lessees to view the premises at reasonable times.

16. Return of the premises

- 16.1. On termination of the agreement for whatever cause the lessee must return the premises to the lessor in the same good order and condition as it was on the commencement date, fair wear and tear excepted.
- 16.2. The premises are considered to be in good order if, starting from the report mentioned in 3.2 –
- the lessee has fulfilled his or her obligations of maintenance mentioned in 11 above;

- the lessee has restored any damage during the lessee’s occupation of the premises of which s/he is responsible according to 11.2 above;
 - alterations or additions to the premises not agreed to by the lessor, have been removed and the premises completely restored to the original condition;
 - alterations and additions as agreed to by the lessor appear to be in good order and have been maintained.
- 16.3. The lessee will hand over, at the premises, all the keys of the premises (including external and internal door and cupboard keys) to a representative of the lessor on the day he or she vacates the premises.
- 16.4. The lessor has the right to treat all movable items (furniture and other articles) which remain in the premises after the vacation, as its property and may remove such items at the lessee’s costs, unless the lessor has been informed in writing that a new lessee has bought such items. Goods left behind will be sold after 7 days to defray storage expenses.

17. Inspection

- 17.1. The lessee shall simultaneously sign the lease agreement and make an appointment in writing for an incoming inspection within seven days of taking occupation where any defect in the leased premises shall be pointed out to the Lessor or his agent. Save in respect of the defects indicated to the Lessor in writing within this period, the premises will be deemed to have been in good order and condition at the commencement date of this lease agreement.
- 17.2. A preliminary outgoing inspection will be conducted by the lessor within 14 days of receiving notice to vacate from the lessee. At the end of the agreement (after all goods have been removed) the lessee and the lessor will do an final inspection of the premises together and record in a report

what kind of repairs are needed to bring the premises back to good order, fair wear and tear excepted and what damage was caused during the lease period.

17.3. The lessee and the lessor shall each receive a copy of the report, which must be signed by both parties. Should the lessee fail to sign such report, such report may be signed by an independent building inspector.

17.4. The lessor may apply the deposit (and any interest thereon), to the payment of all amounts for which the lessee is liable, including the costs of repairing damage caused to the premises during the lease period and any lost keys. If the cost of repairs exceeds the deposit, the lessor is entitled to claim such excess from the lessee.

17.5. The relevant receipts which indicate the costs which the lessor incurred will be available to the lessee for inspection as proof of such costs incurred by the lessor.

17.6. should the lessee fail to respond to the lessor's request for an inspection, the lessor must, at the end of the lease, inspect the premises within 7 (seven) days in order to assess any damages during the lease period. Should the lessee vacate the premises, without notice to the lessor, the lease is deemed to have come to an end on the date that the lessor established that the lessee had vacated the premises but in such event the lessor retains all its rights arising from the lessee's breach of the lease.

18. Deposit

18.1. The lessee must pay a deposit to the lessor in the amount set out in the main agreement. The lessee shall not be entitled to set-off against the deposit any rental or amount payable by the lessee.

18.2. The deposit may also be used by the lessor upon termination of the agreement to repair any damages to the premises as set out in 17.3. Thereafter any

outstanding rental amounts or monies owing will be deducted. The remaining amount of the deposit must be repaid within 21 (twenty-one) days of the end of the lease.

18.3. Interest shall be payable by the lessor in respect of the deposit at the rate of interest payable to an individual by a bank on a normal savings deposit.

18.4. The deposit must be invested by the lessor in an interest bearing account with a financial institution.

18.5. The lessee will be liable for the letting administration costs to the lessor as a result of the lessee's termination of this agreement or the Department of Housing not having approved a subsidy, should the agreement be terminated by the lessee within a period of 6 (six) months from the commencement date or should the agreement be cancelled by the lessor following the default of the lessee within a period of 12 months from the commencement date. These costs will be deducted from the deposit by the lessor at a rate applicable at the time.

19. Receipts

19.1. The lessee accept as a receipt the monthly rent statement provided by the lessor which reflects all receipts (payments) and rentals due.

19.2. The lessor shall furnish the lessee with a written receipt for any payment made for rental, arrears or as a deposit, or for any payment otherwise received by the lessor from the lessee at the lessee's request.

19.3. Committees

The lessor may at its sole discretion, establish committees of lessees annually to meet with the lessor on matters of common interest. The committee may only be fully constituted once due process has taken place in electing the committee and a constitution has been signed by the elected representatives.

20. Occupants

- 20.1. The premises shall be let exclusively for residential purposes for occupation of the said lessee, his/her spouse and minor children and any other persons authorised in writing to reside there by the lessor.
- 20.2. A schedule of persons to reside in the premises is attached as Schedule 3 and any person not included on the schedule shall not be entitled to reside in the premises.
- 20.3. If for any reason the lessee or any of the foresaid persons should cease to reside on the premises for a continuous period exceeding thirty (30) days or should the lessee be absent from the said premises for any continuous period exceeding TWO (2) months without the consent of the Lessor first being had and obtained, the Lessor may in its sole and absolute discretion cancel this agreement on seven (7) days written notice.
- 20.4. The lessee shall provide the Lessor with any reasonable information required in writing including income and family composition details.
- 20.5. The lessor will not consent to any relatives being added to the family form of the lessee unless the person in question is a parent or spouse. All other persons will be treated as visitors and may not remain on the premises for more than 14 days without the prior written consent of the lessor having been obtained.

21. Vehicles, Parking, Parking Bays and storage

- 21.1. Where available, the lessee may hire a parking bay from the lessor to park a motor vehicle. The parking bay may not be used for any other purposes.
- 21.2. The lessor will lease a parking bay on terms and conditions determined at the sole discretion of the lessor.

- 21.3. Only one parking bay per lessee will be made available unless spare parking bays can be allocated by the lessor at a rate of 30% more than the rental of the first parking bay,
- 21.4. All parking bays are for the sole use of the lessee.
- 21.5. Where available, the lessee may hire a storage room from the lessor to store the lessee's goods. The storage room may not be used for any other purposes except the storage of the lessees goods.
- 21.6. The lessor may adjust the rentals for the parking bay and storage room in line with clause 4 of this agreement.
- 21.7. The lessee may not use the parking bay and/or storage room when this agreement is terminated.
- 21.8. The lessee shall not erect or have erected on the grounds and gardens of the property any structure including carports, tents, marquees, wendy houses or canopies without the Lessor's prior written consent.
- 21.9. The lessee's visitors will park in the designated parking area only.
- 21.10. No major vehicle repairs may be undertaken on the premises. All repairs can be undertaken in the designated area only.
- 21.11. Vehicles may only be washed in the designated areas only.

22. Keys and locks

- 22.1. If this agreement is cancelled and the lessee leaves the premises, the lessee must return to the lessor all keys to the premises, entrance doors to the building, storage room keys (if any) and the lessee's mailbox (if any). The lessor may recover from the lessee any amount which it spends to replace any locks or keys.

23. Insurance

- 23.1. The lessor will insure the property against damage including but not limited to the full replacement cost of the property.
 - 23.2. The lessee will be responsible for the contents of the premises and must take out insurance if he or she wants to be so insured and must then pay all the premiums for the contents of the premises.
 - 23.3. The lessee may not allow anything to be done or kept in the premises or in the common areas which will increase the rate of insurance which the lessor must pay. Where the lessee causes the rate of insurance on the property to be increased by the lessee's behaviour the lessee will be personally liable to pay the extra insurance premium.
24. Damage to property
- 24.1. If the property and/or the premises is destroyed by fire or any other cause, the lessor will, as soon as it may, repair and/or rebuild the premises or the property. The lessee will not have any claim against the lessor during this time and the lessor will not be obliged to compensate the lessee for any of his or her loss or damage caused because the lessee could not occupy or use the property or the premises because of the damage.
 - 24.2. If the lessor rebuilds or repairs the property or premises, the lessor may change or vary the form of construction of the property or premises. In this event the lessee will be entitled to the same standard of accommodation as regards the position and area of the property as he/she enjoyed before the destruction of the premises or property.
 - 24.3. Where the lessee is responsible for the damage or destruction of the premises the lessor will recover in full the cost of the damage and terminate this agreement on 30 days notice.
- 25. Loss, damage or injury to persons or property
 - 25.1 In respect of any damage or loss caused to or sustained by the Lessee in the premises or on the property as a result of water seepage or leakage wherever or however occurring, or by rain, hail, lightning or fires as a result of a vis major, casus fortuitous, or as a result of any act, neglect or negligence whatsoever on the part of the lessor, his employees or servants or by reason of the property or any part thereof being in a defective condition or in a defective state of disrepair or any particular repair not being affected by the lessor or for any other cause whatsoever;
 - 25.2 By reason of any particular repair for which the lessor is liable in terms of this lease not being affected by the lessor.
 - 25.3 The lessor is hereby indemnified from any liability for loss or damage to the lessee's possessions whether in the premises, or parking area or storage room.
- 26 No set-off
- The lessee is not allowed to refuse or fail to pay any money or part of any money which it owes to the lessor as a set-off against any money which the lessor may owe to the lessee or if the Lessor is in breach of any terms of this agreement or for any other reason.
- 27. Sub-letting or cession
 - 27.1. The lessee must personally reside in the premises during the lease period and may not allow any other person to occupy the premises or part thereof instead of the lessee. The lessee may not sublet the premises or any part thereof.
 - 27.2. The lessee may not cede any of his or her rights under this agreement to any other person or body.
 - 27.3. The lessee does not have the right to choose his or her successor to the premises.

- 27.4. The lessee understands and accepts that the lessor will draw up and keep a waiting list of people who want to become lessees of the property, and that the lessor has the sole discretion to decide in every case who the new lessee will be. In the case of the death of the lessee, the lessor will give priority to the family members of the lessee who reside with the lessee in the premises, if they can afford the rental.
- 27.5. Where the lessee does not respond to any of the lessors requests to meet with the lessor the lessor shall have the right to secure the premises until the lessor has determined whether the lessee still resides on the premises or not.
28. Compliance with House Rules
- 28.1. The lessee will comply with the House Rules at all times.
- 28.2. The House Rules are for the convenience, comfort and general well-being of the lessees and to promote the appearance and management of the affairs of the property.
- 28.3. Any lessee who does not comply with the House Rules will be evicted from the premises at the sole discretion of the lessor. A minimum of 7 days notice shall be given by the lessor.
- 28.4. The House Rules may be amended from time to time. At least 1 (one) month written notice shall be given to lessees of proposed changes and lessees shall respond or raise objections in writing to new House Rules within reason. Subject to the provisions of any applicable law, the final decision for amendment and implementation, shall be a decision of the Board of the lessor.
- 29 Notices
- If any party needs to give notice to the other party, such notice must be in writing and must be delivered, to the

lessee by registered post or, by hand, at the premises and to lessor, by hand, at the address of the lessor as set out on the first page of main agreement, respectively, in which case delivery shall be deemed to have happened when the notice was so delivered. Where the lessee refuses to accept delivery by hand or acknowledge same by signing the lessors delivery book, then the notice shall be sent by registered post.

30. Legislation

The lessor shall have the right in the event of any legislation being enacted affecting the relationship between the lessor and the lessee to amend the agreement accordingly.

31. Miscellaneous

31.1 This agreement correctly reflects what the parties intend and is the whole agreement between the parties. If this agreement is changed, cancelled or added to by agreement between the parties, or if any one party gives up any of its rights under this agreement or if the agreement is changed in any way, such changes or additions or cancellations or waivers will not be recognised and will have no effect unless the parties put these changes in writing and each party signs the amendments.

31.2 The parties agree to do whatever is necessary, incidental or conducive to implement this agreement, including signing whatever documents must be signed.

31.3 If either party gives or allows the other party any latitude, extension of time or other indulgence under this agreement, this will not be considered to be an implied consent by any party or operate as a waiver of such party's rights in terms of this agreement. It will also not stop this party from taking action to make sure that the other party complies with all

the provisions of this agreement.

- 31.4 While the lease is in force, all furniture, equipment and other articles brought onto the premises shall be subject to the lessor's hypothec. The lessee undertakes not to encumber, pledge or assign such furniture, equipment and other articles in any way or dispose of or remove them from the leased premises without the prior written consent of the lessor.