

LAGOS STATE HOME OWNERSHIP & MORTGAGE SCHEME
(LAGOS HOMS)

CONTRACT OF SALE

BETWEEN

THE LAGOS STATE MORTGAGE BOARD

AND

Xxxxxxxxxx

THIS CONTRACT OF SALE is made this..... day of 2013

BETWEEN

The Lagos State Mortgage Board, of ----- Lagos (hereinafter referred to as the “Home Provider”) which expression shall where the context so admits include its successors-in-title and assigns) of the one part

AND

.....of.....Lagos State (hereinafter referred to as the “Home Owner”, which expression shall where the context so admits include his or her successors-in-title and assigns) of the other part

Interpretation

“Balance” means the difference between the purchase price and equity contribution made by the Home Owner including any interest payable thereon.

“Buyer’s Affidavit” means the affidavit deposed to by the Home Owner stating that he or she is a first time buyer of a home anywhere in Lagos State.

“Deed of Mortgage” means the Deed of Mortgage to be executed between the Home Owner and the Mortgage Institution.

“Deed of Sub-lease” means the Deed of Sub-lease to be executed between the Home Owner and the Home Provider

“Equity Contribution” means the total amount of money paid by the Home Owner towards the purchase of the property less the balance.

“Home Owner” means a purchaser of a home under this contract

“Home Provider” means the seller of a home under this contract

“The Mortgage Institution” means Lagos Building Investment Company (LBIC) or any other banking, financial or mortgage institution as may be approved by the Home Provider.

“Purchase Price” means the total cost of the home subject matter of this contract

“Repossession” means the taking over of the home subject matter of this contract by the Home Provider from the Home Owner.

- 1.1 The Home Provider has initiated a State- driven Home Ownership and Mortgage Scheme to match the increasing demand for housing in the State and has developed a framework for a sustained Scheme. The Home Provider has developed housing estates with the intention of meeting the housing needs of the people of Lagos.

- 1.2 The Home Provider owns the entire interest in the home located at..... particulars of which are described and set out in Schedule 1 to this Contract of Sale (“the Home”)
- 1.3 The Home Provider shall sell the home to the Home Owner and the Home Owner shall buy the home subject to the terms and conditions set forth in this contract.
- 1.4 The following documents shall form, be read and construed as part of this contract:
 - i. The Deed of Mortgage; and
 - ii. The Home Ownership and Mortgage Scheme Housing Arbitration Rules.

The parties agree as follows:

2. Purchase Price

- 2.1 The Purchase Price of the property is the sum of Naira Only exclusive of any interest payable
- 2.2 **In consideration** of the sum of Naira Only being 30% of the purchase price in accordance with the Lagos HOMS policy (“hereinafter referred to as the equity contribution”) paid by the Home Owner to the Home Provider before the execution of this contract, (the receipt of which the Home Provider hereby acknowledges) and in pursuance of this contract, the Home Provider has agreed to sell the home to the Home Owner, and the Home Owner has agreed to purchase the home.

2.3 Balance

The Home Owner shall execute a Deed of Mortgage with the Mortgage Institution for the purposes of paying the balance of the purchase price on a monthly basis during the term of the Deed of Mortgage.

3. Conditions Precedent

- 3.1 Without prejudice to any other term of this contract, it shall be a condition precedent to the continuing obligation of the Home Provider with respect to the home that during the term of this contract, the following shall always be in place each in form and substance satisfactory to the Home Provider;
 - i. proof and or source of income of the Home Owner.
 - ii. an all risk insurance policy to be taken out by the Home Owner in respect of the home during the term of the Deed of Mortgage with an insurance company of the Home Provider’s choice and the Home Provider being the first loss payee.

4. Home Provider’s Warrantees and Covenants

- 4.1 The Home Provider hereby covenants with the Home Owner and undertakes that immediately upon the execution of this contract he shall deliver the original title documents of the home to the order of the Home Owner.

4.2 The Home Provider hereby warrants that there are no subsisting third party rights, interest and charges whatsoever existing or attached to the home hereinbefore described and hereby covenants with the Home Owner to indemnify and keep indemnified the Home Owner against all losses, damages or detriments whatsoever caused or to be incurred in consequence of any action or anything in any way done by any rival or adverse claimant in respect of the home.

5. Home Owner's Warrantees and Covenants

5.1. The Home Owner warrants that prior to the execution of this contract, he is not an owner, either solely or jointly, of a home anywhere within the territory of Lagos State or a beneficiary of an allocation of any State Land in Lagos State and covenants that he shall immediately before the execution of this contract depose to a Buyer's Affidavit in this regard in the form contained in Schedule 2 to this contract.

5.2. The Buyer's Affidavit is a condition precedent to the completion of this contract and shall form a part of this contract.

5.3. The Home Owner warrants that he shall reside in the home solely or with his immediate or extended family and further covenants that in no circumstances shall he transfer, pledge, charge, let or otherwise assign his interest in the home to a third party for a consideration or otherwise during the term of the Deed of Mortgage without the written consent of the Home Provider having first been sought and obtained.

6. Repossession and Termination.

6.1 The Home Owner hereby covenants that any false deposition in the Buyer's Affidavit shall immediately entitle the Home Provider to terminate this contract and repossess the home without prejudice to any criminal prosecution that such false deposition may occasion.

6.2 The Home owner further covenants that a breach of Clause 5.3 herein shall immediately entitle the Home Provider to terminate this contract and repossess the home notwithstanding any other rights that such a breach may confer on the Home Provider.

6.3 Parties hereby covenant that in the event of termination, the Home Owner shall be entitled **ONLY** to a full refund of his equity contribution and any such monthly payment made towards the balance of the purchase price at the time of termination subject to any penalty or deduction.

6.4 In the refund of the equity contribution pursuant to Clause 6.3 above, reference shall be had only to the capital value as at the date of contracting or the current market value whichever is less.

6.5 Notwithstanding anything to the contrary in this contract or any other agreement, the Home Provider during the term of this contract or any other such agreement reserves the right to alter, amend or issue new regulations or framework for the operation and administration of the Lagos State Home Ownership and Mortgage Scheme.

7 Deed of Mortgage

7.1 Upon the execution of this contract, the Home Owner shall immediately execute a Deed of Mortgage with the Mortgage institution in the form contained in Schedule 3 to this contract for the purpose of paying the balance of the purchase price subject to the consent of the Governor of Lagos State.

7.2 The Deed of Mortgage shall stipulate that monthly deductions to cover mortgage payments shall not exceed 30% of the Home Owner's monthly gross income for a minimum period of 10 years at no more than a single digit interest rate per annum to be paid by the Home Owner.

8 Vacant Possession

The Home Provider shall grant vacant possession of the home to the Home Owner immediately upon execution of the Deed of Mortgage and the certification of the home as being fit for habitation.

9. Facility Management

9.1. There shall be a Facility Management company to be appointed by the Home Provider whose responsibility shall include the proper management and maintenance of the homes and provide facility management services.

9.2. The Scope of the Facility Management services shall include the provision of a Facility management framework for the purpose of ensuring effective management of the homes;

9.3. The Home Owner shall be required to pay a monthly maintenance charge to the Home Provider for the services provided by the Facility Management company which sum shall be agreed in advance by the parties.

9.4. Non-payment of the monthly maintenance charge as and when due shall have the same effect and consequence as non payment of monthly mortgage re-payments as and when due.

10. Notices

Any notice or communication to any party shall be deemed to be sufficient, if it is delivered by hand or sent by courier service to the principal place of business or other address earlier notified in writing by the party to whom the notice or communication is required to be given.

11. The Contract

This contract shall remain in effect until the day of 20 or such other period as may be agreed by the parties when the Home Owner would have fulfilled all his or her obligations under the Deed of Mortgage and under any other document as may be required by the Home Provider.

12. Dispute Resolution

12.1 Any dispute or differences arising out of or relating to this contract shall be resolved exclusively by arbitration conducted in accordance with the Arbitration Law of Lagos State 2009.

12.2 The arbitration shall be in Lagos and shall be by a single arbitrator appointed by the President of the Lagos Court of Arbitration after a request for reference is made by either party.

- 12.3 The arbitration shall be conducted under the Lagos Home Ownership and Mortgage Scheme Housing Arbitration Rules contained in Schedule 4 to this contract.
- 12.4 The arbitrator shall apply Nigerian law.
- 12.5 The costs of the arbitration shall be shared equally between the parties herein.
- 12.6 The decision of the arbitrator shall be final and binding. By executing this contract, the parties hereby agree that in the event of any dispute arising herefrom, there shall be no recourse to court for the purpose of seeking an injunctive relive or any relief whatsoever except for the purpose of enforcing the arbitral award.

Signed Sealed and delivered by the representative of the within named Home Provider:

.....
MEMBER OF THE BOARD

.....
EXECUTIVE SECRETARY

Signed, sealed and delivered by the within named Home Owner

.....

In the presence of

Name:

Occupation:

Address:

Signature

SCHEDULE 1

DESCRIPTION	PARTICULARS
ALL that entire Flat/Apartment situate at..... in.....Local Government Area of Lagos State	Covered by dated Day of and registered as No..... at page..... in volume of the Lands Registry in the office at Lagos.

SCHEDULE 2

FIRST TIME BUYER'S AFFIDAVIT

I(Full names)(gender, occupation, nationality) of (full address not P.O. Box).....Lago

State, do hereby make oath and state as follows:

1. I am the above described person and I am applying for the purchase of aat.....
..... under the Lagos Home Ownership Mortgage Scheme.
2. I declare that all the information provided by me in the Application Form is true.
3. One of the conditions for pre-qualification under the Scheme is that an applicant must be a first time home owner in Lagos State.
4. I declare that I do not own any home, neither am I the beneficiary of any allocation of State land anywhere within the territory of Lagos State and that I am a first-time buyer in accordance with the principles and intention of the Lagos HOMS Scheme.
5. I will subscribe to all the rules, regulations, terms and conditions contained in the Contract of Sale, the Deed of Mortgage, the Housing Arbitration Rules and any other document as may be required for the operation and or administration of the Lagos HOMS Scheme.
6. I understand and agree that in deposing to this affidavit, it becomes part of my contract with Lagos State Mortgage Board ("LMB") and that any false deposition will disentitle me to benefit from the Scheme and should I have already benefitted, will entitle the LMB at any time to revoke the allocation to me and also impose any other applicable sanctions.
7. I depose to this affidavit in good faith and in accordance with the Oaths Law of Lagos State.

DEPONENT

SWORN TO AT.....THIS.....DAY
OF..... 20.....

**BEFORE ME
NAME & SIGNATURE
(COMMISSIONER FOR OATHS OR NOTARY PUBLIC)**