





## INTRODUCTION

**YOUR COMPANY NAME** Pty Ltd was formed to serve as an investment vehicle for flipping properties. House flipping is the process of buying, renovating, and selling properties for profit.

Our directorship have extensive proficiency in residential property, especially in the Pretoria market. Our expertise and experience include property transactions and local real estate markets as well as interior design, construction and procurement of finishes. A track record of previous projects are viewable on

**YOUR COMPANY NAME**.co.za.

As BPC, we continuously explore opportunities in current markets and although we complete multiple transactions annually, on our own, our capital is finite and this allows for external investment opportunities.

## DEFINITIONS

1. For this agreement BPC implies **YOUR COMPANY NAME** Pty Ltd. Referred to herein as BPC.
2. For this agreement, Partner implies the Partner as defined in the Schedule below, and hereafter referred to as Partner.
3. The property, real estate, or project implies any property, house, land or investment opportunity to which the Partner is introduced, whether digitally, verbally, physically, in writing or in any other form, by BPC and/or as defined in the schedule attached herewith.
4. The partnership implies the joined business activities and/or ventures of Bigpond Pty Ltd Pty Ltd and the entity defined as the Partner above.
5. The deal-fee is calculated as per the schedule below.

## INVESTMENT PROCESS

### 1. BPC procures a property

We are well established in our market to procure the right properties. Most relevant estate agents know our company and recently we are pre-dominantly buying properties before they go on the open market. We also do a variety of direct-to-consumer/seller marketing. Typically, we buy properties for R1mil - R1.35mil and then sell these properties, after renovation for R2mil - R2.3 mil.

(See recent case study attached).

### 2. Investor finance

In most cases, it is sensible to apply for the loan and register the property in the private name of the investor. This is, typically beneficial from legal, taxation and fiduciary aspects.

### 3. Deal Types

3.1 Partner finances all costs: The Partner obtains a bond for the property. The Partner then also finances all renovation, municipal, legal and other costs, relevant to the property. This is the real, actual cost and no profits are levied against these amounts by BPC. BPC also issues tax invoices for amounts paid to us.

3.2 Partner only obtains bond: The partner obtains a bond for the property. BPC finances the real, actual costs (everything that is not bonded) and no profits are levied against these amounts. BPC also issues tax invoices for consultation amounts(BPC's profit split) paid to us after the sale registered.

### 4. BPC does all design, renovations and makes transactional decisions

We know what is required in the process and to ensure a timely project completion, it is thus important for BPC to hold the Veto-right to make all design-, execution- and transactional- decisions on all matters pertaining to the property on behalf of the Partnership.

## 5. Completion and profit

On successful sale of the property the profit is split between BPC and the Partner. Profit is determined by the following calculation. Sales Price - Purchase Price - Renovation Costs - Legal Costs - All Additional Costs (Specific to the property). The profit split is defined in the schedule section of this document. Each partner is fully responsible for their own tax-liabilities.

## GENERAL TERMS (IN GOOD FAITH)

1. This agreement does not constitute any form of exclusivity and does not limit either party to do other real estate transactions outside of this partnership.
2. It is agreed by both parties that after the Partner is introduced to a property, whether it be digitally, verbally or physically, the partner will not pursue the purchase and/or sale of the property outside of this partnership.
3. Should the Partner for whatsoever reason, not want to sell the property on completion of the renovation, whether for personal occupation or investment purposes, or whatsoever other reason or motivation the Partner will be liable to buy BPC out of the deal at their portion of the profit, as calculated from the listing price.
4. This entire agreement should be treated as confidential by both parties and terms and agreements contained herein shall not be disclosed to any other parties, verbally or in writing.
5. It is understood between all parties that there is a measure of risk and reward to this agreement. As BPC, we attempt to mitigate as much risk as possible. The best way in which the risk is mitigated for the partner is by the fact that in the end of the project the partner owns a property which has been restored and now is owned for an amount which is far less than market value. BPC is incentivised to perform well as profit can only be actualised once the property is sold.

## SCHEDULE

1. For this agreement Partner implies \_\_\_\_\_.
2. The property/project is the flipping of the property located at the physical street address, \_\_\_\_\_.
3. The profit split is calculated as follows; Actual Profit after all renovation and transaction costs;  
@ \_\_\_\_\_% towards Partner. & @ \_\_\_\_\_% towards **YOUR COMPANY NAME** Pty Ltd.

## AGREEMENT OF ENGAGEMENT

I/We, \_\_\_\_\_  
herewith agree to partner with **YOUR COMPANY NAME** Pty Ltd as per the above agreement in a Joint Venture.

Date: \_\_\_\_\_

Place: \_\_\_\_\_

\_\_\_\_\_  
On behalf of Partner

\_\_\_\_\_  
On behalf of **YOUR COMPANY NAME** Pty Ltd

**SPECIAL POWER OF ATTORNEY**

I, the undersigned, \_\_\_\_\_

do hereby nominate, constitute and appoint

**YOUR COMPANY NAME** Ltd with registration number **YOUR REGISTRATION NUMBER**

and/or it's directors, representatives, agents, attorneys, conveyancers;  
with power of substitution to be my lawful agent, in my name, place and stead to appear before  
attorneys, or wherever it may be necessary and then and there on my behalf, being desirous to;

1. Sign all required documents, on behalf of myself, required for the purposes of Purchase, Registration and/or Sale, including but not limited to Offer To Purchase and/or documents that may be required by the Registrar of Deeds and/or Bond holders and/or the South African Revenue Service in order to effect transfer of the following property:

Description: \_\_\_\_\_

2. To request, compile all documents required for purposes aforesaid, to do or cause to be done whatsoever shall be requisite, as fully and effectual, for all intents and purposes, as I might or could do if personally present and acting herein, hereby ratifying, allowing, confirming and promising and agreeing to ratify, allow and confirm all and whatsoever my said agent and representative shall lawfully do, or cause to be done, by virtue of these present.

3. I also agree that the nominated Conveyancer and/or Transfer attorney pay consultation fees and/or profit splits to **YOUR COMPANY NAME** Ltd as per the enclosed Agreement of Engagement.

SIGNED at \_\_\_\_\_ on \_\_\_\_\_.

\_\_\_\_\_  
On behalf of Partner

\_\_\_\_\_  
On behalf of **YOUR COMPANY NAME**

