

**TOWN OF WAINWRIGHT**  
**TERMS OF PURCHASE OF TOWN LOTS**

February 2012



**Standard Policy**

- 10% of the total lot price is the minimum deposit required to enter into a purchase of land agreement. Lots are to be sold on a first come – first choice basis.
- An application for a development permit to construct an appropriate building on the property must be submitted within 60 days of the date the agreement is executed.
- A further 40% of the total lot price is due at the time of applying for a development permit.
- All applicable off-site levies are due at the time of applying for a development permit.
- The application for a building permit must be submitted and construction is to commence within 90 days of the development permit coming into effect.
- The final 50% of the total lot price plus the G.S.T. on the total lot price are due within 90 days of the date of the application for development permit.
- The title transfer will be done only after all payments have been made and the building has reached the framed-up stage. (See Supplementary Agreement for alternative procedure.)
- If the Purchaser withdraws from or is in default of a purchase agreement in any way, the Town may cancel the agreement and refund to the Purchaser the monies paid towards the purchase of land less any taxes owing and a penalty as follows:
  - 2% of the purchase price if cancelled upon default of the deadline to apply for a development permit under the Standard Policy,
  - 5% of the purchase price if cancelled upon default of the deadline to commence construction, or
  - 10% of the purchase price if cancelled upon default of the deadline to apply for a development permit under the Alternative to Standard Policy.
- No property taxes will be levied in the calendar year that the purchase agreement is executed but will be levied starting the following year regardless of when the title is transferred.
- Upon execution of the purchase agreement, the Purchaser is deemed to have control of the property and is responsible for its maintenance.
- Any payment that is not made by the specified date will be subject to a penalty of 1.5% of the amount due, including interest, to be applied on the first day following the due date and every month thereafter.
- If the Purchaser is in default of any requirement of a purchase agreement or other requirement of the Town with respect to the construction of the building involved with the purchase agreement, the Purchaser or any entity that the Purchaser is a party to shall not be allowed to enter into another purchase agreement with the Town until the requirement(s) is satisfied.

### **Alternative to Standard Policy**

- If upon the expiry of the required period to obtain a development permit, the Purchaser is not able to apply for a permit, the Purchaser may pay out the balance owing on the lot. In this case, the Purchaser will then be required to obtain a suitable development permit within 1 year of the date of the original deadline to apply for a development permit. The transfer of title will not be done until the building reaches the framed-up stage except that if the Purchaser enters into a Supplementary Agreement, title will not be transferred until application for a development permit is received and approved.
- The maximum number of residential lots allowed to be held under the terms of this section is two (2). A lot is considered to be held as long as construction has not reached the framed-up stage.

### **Winter Policy**

- For purchase agreements executed between October 1<sup>st</sup> and February 28<sup>th</sup>, the application for development permit must be submitted by April 30<sup>th</sup>. All other terms of the standard policy apply.

### **Supplementary Agreement**

- In the case where the Purchaser requires title before construction reaches the framed-up stage in order to obtain finances, a supplementary agreement may be made between the Town and the Purchaser whereby the Town will transfer title upon the Purchaser agreeing to grant the Town the right to re-purchase the property in the event that the Purchaser fails to construct a building as required in the original purchase agreement.
- In such a case, the re-purchase price shall be established as the original purchase price less the penalty and taxes due described in the standard policy.
- The supplementary agreement shall be registered as a caveat on the title of the property until the building has reached the framed-up stage at which time the Town will remove the caveat. The costs of registering and discharging the caveat shall be charged to the Purchaser.
- In the case where the Purchaser requires financing to pay the balance owing on the lot, the Town may submit the transfer to a law firm under trust conditions that the law firm will remit the balance owing upon registration of the transfer.