



## TERMS OF PURCHASE RESIDENTIAL LOTS

March 2015

### 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.