

CITY OF DRUMHELLER

POLICY #2-90

SALE OF PROPERTIES AND PAYMENT OF REAL ESTATE  
COMMISSION

THE PURPOSE OF THIS POLICY IS TO:

ENSURE THAT CITY PROPERTY IS SOLD WITHIN UNIFORM  
GUIDELINES.

POLICY STATEMENT

THE COUNCIL AND MANAGEMENT STAFF OF THE CITY OF  
DRUMHELLER MAY ONLY SELL CITY PROPERTY OR AUTHORIZE  
REALTOR COMMISSIONS WITHIN APPROVED POLICY  
GUIDELINES.

ADOPTED BY COUNCIL  
DATE APRIL 9, 1990

1. The City's standard Contract being an Offer to Purchase and Interim Agreement for residential and commercial or industrial land, as the case may be, must be used as attached Appendix A.
2. A minimum deposit equal to 10% of the purchase price must accompany the Offer. The deposit must be paid to the City either before or concurrent with acceptance and may not be held by the Realtor.
3. The City will not entertain offers from Developers who have 3 or more uncompleted and unsold houses and or lots within the City.
4. Any reductions from listed sale prices require City Council approval and the time limit for acceptance must be framed accordingly.
5. The City may pay a commission of 5% of the sale price of any residential, commercial or industrial land when the Purchaser is introduced to the City by a Realtor and a sale result therefrom. No commission will be payable, and the intervention of a Realtor is not welcome, if the Purchaser has previously made any independent enquiries of the City as to a possible land purchase. The commission will be paid within 2 weeks of the time the City has been paid the purchase price in full. No commission will be payable if the sale is not finalized due to the Purchaser's default.

"RESIDENTIAL"

THIS OFFER TO PURCHASE AND INTERIM AGREEMENT made  
this            day of            , 199 .

BETWEEN:

THE CITY OF DRUMHELLER  
703 - 2nd Avenue West  
Drumheller, Alberta  
T0J 0Y3  
(the "City")

OF THE FIRST PART

- and -

INSERT PURCHASER'S  
NAME AND ADDRESS

(the "Purchaser")

OF THE SECOND PART

IN CONSIDERATION OF the mutual promises and  
covenants herein contained, the parties hereto agree  
as follows:

1. THE PROPERTY

- 1.1 The City hereby sells and the Purchaser  
hereby purchases the lands legally  
described as follows:

INSERT LEGAL  
DESCRIPTION

Reserving Unto Her Majesty All Mines And  
Minerals (the "said lands")

subject to the reservations and exceptions  
appearing in the existing certificate  
of title.

- 1.2 The Purchaser has inspected and agrees to purchase the said lands as they stand and it is agreed that there is no representation, warranty, collateral agreement, zoning, municipal permit or license or condition affecting the said lands other than is expressed herein in writing.

ATTACH 1.3 In particular, it is agreed that the City  
SCHEDULE "A" will not provide any services or make any  
IF APPLICABLE other improvements except as may be listed  
in Schedule "A" attached hereto.

## 2. PURCHASE PRICE

INSERT: 2.1 The Purchaser covenants and agrees to pay  
PURCHASE PRICE to the City the purchase price of:

Dollars (\$ )

in the following manner:

- DEPOSIT 2.1.1 \$ as a deposit enclosed with  
(MINIMUM - 10%) this offer; and
- BALANCE 2.1.2 \$ (plus or minus usual  
closing adjustments) within 90 days  
from the date of acceptance of this  
offer (the "Closing Date").

## 3. PURCHASER COVENANTS

3.1 The Purchaser covenants and agrees as follows:

- 3.1.1 To pay all taxes, including local improvement rates, either out-standing or to be levied against the said lands adjusted as of the date of acceptance of this offer (the "Agreement Date");
- 3.1.2 To pay any off-site levies or redevelopment levies imposed by the City By-law in force at the time of development.

- 3.1.3 To obtain a development permit (the "Development Permit") and a building permit (the "Building Permit") for and to construct on the said lands a dwelling house (the "House"), with the following characteristics:
  - 3.1.3.1 at least 1000 square feet in area,
  - 3.1.3.2 of a construction value of no less than \$50,000.00,
  - 3.1.3.3 containing no suites that could be used for rental purposes,
  - 3.1.3.4 complying with all buildings, planning and other by-laws of the City, and
  - 3.1.3.5 complying with all requirements of applicable Provincial or Federal legislation;
- 3.1.4 To enter into a further development agreement with the City if required as a condition of the Development Permit; and
- 3.1.5 To obtain the Development Permit and the Building Permit and to commence construction of the House not later than eight months from the Agreement Date and to complete construction not later than two years from the Agreement Date.

#### 4. CITY COVENANTS

- 4.1 The City covenants and agrees as follows:
  - 4.1.1 To provide the Purchaser with a registerable transfer of land upon:
    - 4.1.1.1 title issuing in the name of the City in the event the said lands are being created by a plan of subdivision;



- 4.1.1.2 the adjusted purchase price of the said land having been paid in full by the Purchaser; and
- 4.1.1.3 the Purchaser having paid the off-site levy and having obtained the Development Permit and the Building Permit.
- 4.1.2 To consider and process the Purchaser's application for the Development Permit and the Building Permit in a timely manner, in good faith and in the normal course of business.

## 5. DEFAULT AND FORFEITURE

### 5.1 The parties hereto agree that:

- 5.1.1 The deposit shall be forfeited to the City as liquidated damages and not as a penalty and this Agreement shall become null and void, at the City's option, if:
  - 5.1.1.1 the Purchaser shall fail to pay the adjusted balance of the purchase price on or before Closing Date; or
  - 5.1.1.2 the Purchaser shall fail to apply for and obtain a Development Permit and a Building Permit and to commence construction within eight months from the Agreement Date;
- 5.1.2 The City, may, in its sole discretion, waive any of the covenants or grant any indulgences or allow any extensions of the time limited herein without prejudice to its right to insist upon fulfillment or compliance of any other covenant or, upon reasonable notice being provided, fulfillment or compliance of the covenant for which waiver, indulgence or extension had originally been granted.

6. SUCCESSION

6.1 This Agreement shall enure to the benefit of and be binding upon the respective parties hereto and their heirs, administrators, executors, successors and assigns.

7. TIME

7.1 Time shall be of the essence.

8. OFFER AND ACCEPTANCE

INSERT: 8.1 The Purchaser, by signing hereunder, offers to enter into the subject agreement with the City which offer is open for acceptance by 6:00 P.M. on the       day of       , 199   by the City, executing and mailing a copy, postage prepaid, to the Purchaser at the address noted above provided that if this offer is not accepted, the deposit enclosed herein shall be returned forthwith.

DATE

INSERT: DATED at the City of Drumheller in the Province of Alberta this       day of       , 19   .

Signed in the presence of:

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Purchaser

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Co-purchaser

The City hereby accepts this offer together with all conditions and covenants contained therein.

DATED at the City of Drumheller in the Province  
of Alberta this            day of            , 19    .

THE CITY OF DRUMHELLER

Per: \_\_\_\_\_

Per: \_\_\_\_\_

NOTICE TO PURCHASER

THIS AGREEMENT INCLUDES THE FOLLOWING PROVISIONS:

1. AN OFF-SITE LEVY WILL BE PAYABLE WITH RESPECT TO THE DEVELOPMENT.
2. A TRANSFER OF LAND WILL BE PROVIDED ONLY WHEN THE PURCHASE PRICE HAS BEEN IN FULL AND A DEVELOPMENT PERMIT AND A BUILDING PERMIT HAVE BEEN ISSUED BY THE CITY.
3. THE DEPOSIT PAID HEREIN IS SUBJECT TO FORFEITURE IF THE PURCHASER BREACHES THE TERMS OF THE AGREEMENT.