

THIS OPTION AGREEMENT made this _____ day of _____, 20____ between:

THE CITY OF EDMONTON
(the "City")

- and -

(the "Buyer")

**FIRST PLACE – AN EDMONTON HOME OWNERSHIP PROGRAM:
BUY BACK OPTION AGREEMENT**

WHEREAS the Buyer is, or is entitled to become, the registered owner of the Unit.

AND WHEREAS the Buyer has entered into the Buyer's Agreement with the City pursuant to the Program.

AND WHEREAS the Buyer is prepared to grant to the City an option to purchase the Unit in accordance with the terms and conditions as hereinafter stated.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT for and in consideration of the sum of ONE (\$1.00) DOLLAR now paid by the City to the Buyer, the receipt of which is hereby acknowledged by the Buyer, and in consideration of the mutual promises in the Buyer's Agreement, the Buyer hereby grants to the City an irrevocable option to purchase the Unit, in accordance with the following terms and conditions:

1. In this Agreement:
 - (a) "Buyer" means the first-time homebuyer (and their mortgage co-signer(s), if applicable), or collectively for more than one person, first-time homebuyers, named in this Agreement;
 - (b) "Buyer's Agreement" means that agreement in writing between the City and the Buyer dated the ___ day of _____, 20____ made pursuant to the Program;
 - (c) "Buyer's Share of the Land Value" has the same meaning as in the Buyer's Agreement, being the sum of (\$ _____.00) Dollars, inclusive of any sales taxes;
 - (d) "City" means The City of Edmonton;
 - (e) "Land Percentage of the Total Unit Value" means the percentage arrived at by the following formula:

$$\frac{\text{Buyer's Share of the Land Value}}{(\text{Sale Price of the Unit} + \text{Buyer's Share of the Land Value})}$$

- (f) "Market Value of the Unit" means the value of the Unit to be established at the time this option is exercised by an independent appraisal of the value of the Unit, commissioned by the City, at the City's cost, which value shall be final and binding;
- (g) "Program" means First Place – An Edmonton Home Ownership Program, developed by the City providing an opportunity to first-time homebuyers to acquire their first home;
- (h) "Purchase Price" shall mean the lesser of either:
 - (i) the Market Value of the Unit less a sum equal to the Market Value of the Unit multiplied by the Land Percentage of the Total Unit Value; or
 - (ii) the Market Value of the Unit less the Buyer's Share of the Land Value.
- (i) "Sale Price of the Unit" means the sale price initially paid by the Buyer for the Unit, exclusive of sales taxes and the Buyer's Share of the Land Value;
- (j) "Unit" means the condominium unit contained legally described as:

Unit #
Condominium Plan #

2. The option granted in this Agreement may be exercised by the City, in its sole and unfettered discretion:

- (a) if the Buyer is in default of the Buyer's obligations under Buyer's Agreement;
- (b) if the Buyer is to dispose of the Unit prior to the expiry of the Buyers Agreement; or
- (c) if the Buyer is in default with the mortgage lender for the mortgage or mortgages registered on the title to the Unit.

The option is exercisable by the City in the event of the happening of any of the events as set forth in this section 2, whereby, the City shall serve on the Buyer a Ten (10) days notice in the manner provided for in this Agreement notifying the Buyer of the City's intent to exercise the option as provided for in this Agreement. The City, or the City's agents, shall have the right to enter the Unit, upon 48 hours notice to the Buyer, for the purposes of appraisal of the Market Value of the Unit and an inspection of the Unit, during the notice period specified in this section 2.

3. Upon the option being exercised, and subject to the City being satisfied with the appraisal and inspection of the Unit, the following shall be the terms of the agreement of purchase and sale for the Unit:

- (a) The Closing Date shall be sixty (60) days after the expiry of the notice period described section 2.
- (b) The Purchase Price and any adjustments for taxes, rent or any outgoings shall be paid and adjusted on or before 12:00 noon on the Closing Date.

- (c) On or before the Closing Date, the Buyer shall discharge any liens, charges, instruments, mortgages or other encumbrances that the Buyer has caused to be registered against the title to the Unit. Provided however, that the Buyer shall not be obligated to discharge any such liens, charges, instruments, mortgages or other encumbrances if the City shall have deducted, in the manner provided for in section 4, from the Purchase Price as payable by the Buyer pursuant to this Agreement the appropriate total sums necessary to discharge any such liens, charges, instruments, mortgages or other encumbrances.
 - (d) The Buyer shall provide a transfer of title for the Unit to the City in a reasonable period prior to the Closing Date to permit the City the opportunity to register the title to the Unit in the City's name on or before the Closing Date. Preparation of such transfer shall be at the Buyer's expense, and registration of the transfer at the City's expense.
 - (e) Possession of the Unit shall be given to the City on the Closing Date.
4. The City shall pay the Purchase Price to the Buyer for the Unit on the Closing Date and upon registration of the title to the Unit in the City's name, less the following sums, as applicable:
- (a) Any and all sums owed on a mortgage or mortgages registered against the title to the Unit; and
 - (b) Any and all sums necessary to discharge all liens, charges, instruments and encumbrances registered against the title to the Unit, except for those registered or caused to be registered by the City.
5. The City shall be at liberty to register a caveat against the title to the Unit to protect the rights granted to it pursuant to this Agreement.
6. Any notices that may be necessary to be sent to the Buyer shall be mailed, telecopied or delivered to the Unit at the Unit's municipal address, and in the case of the City, by mailing, telecopying or delivering any notices to the following address:
- Asset Management and Public Works Department
Corporate Properties Branch
20th Floor, Century Place
9803 – 102A Avenue N.W.
Edmonton, Alberta T5J 3A3
Fax: (780) 496-6577
7. The terms and conditions of this Agreement shall be binding upon the respective heirs, executors, administrators, successors and assigns of the City and the Buyer.

8. TIME IS TO BE CONSIDERED OF THE ESSENCE OF THIS AGREEMENT and therefore, whenever in this Agreement either the City or the Buyer is required to do something by a particular date, the time for the doing of the particular thing shall only be amended by written agreement of the City and the Buyer.

IN WITNESS WHEREOF the parties hereto have executed this Agreement at the City of Edmonton, in the Province of Alberta, on the day and year first above written.

APPROVED:

THE CITY OF EDMONTON, as
Represented by the Manager of the Corporate
Properties Branch, Asset Management and
Public Works Department

AS TO FORM: _____

AS TO CONTENT: _____

Per: _____
Rick Daviss (Seal)

WITNESS

WITNESS



