

OPTION TO PURCHASE MANUFACTURED HOME

THIS AGREEMENT dated for reference _____ is

BETWEEN:

CITY OF MERRITT, Box 189, 2185 Voght Street, Merritt, BC V1K 1B8

(the “**City**”)

City Contact Person: _____

City Contact Person email address: _____

AND:

Name: _____

Address: _____

Email Address: _____

(the “**Occupant**”)

GIVEN THAT:

DRAFT

- A. In November of 2021, catastrophic flooding in the Merritt region caused significant damage to, and, in some cases, total destruction of residences in and around Merritt.
- B. As a result of this flooding event and its impact on housing in Merritt, many Merritt residents continue to be unable to return to their homes in Merritt and these individuals, as well as other individuals wishing to relocate to Merritt, have been unable find housing in the Merritt area.
- C. In order to provide temporary accommodation to enable people to transition to permanent accommodation in the Merritt area, the City:
 - (a) has entered into an agreement with the owner and leaseholder (collectively, the “**Park Owner**”) of the Diamond Value Mobile Home Park located at 2776 Clapperton Avenue, Merritt, B.C. on land legally described as Lot 1 District Lot 122 Kamloops Division Yale District Plan 21448 Except Plan 25840 (the “**Park**”) providing the City with a license to use and permit the use of certain Manufactured Home sites within the Park as temporary living accommodation;

- (b) has made arrangements, with funding from the BC Ministry of Municipal Affairs for the 2021 flood, , to purchase Manufactured Home for rental at below market rent to affected individuals for use and occupation at the Park.
- D. Pursuant to that City program, the City and the Occupant have entered into an agreement, dated for reference [REDACTED], 2023, (the “**Occupancy Agreement**”) permitting the Occupant to occupy for the period specified in the Occupancy Agreement (the “**Occupancy Period**”) the site in the Park identified on **Schedule A** to this Agreement (the “**Site**”) and the Manufactured Home located at such site and described on **Schedule A** (the “**Manufactured Home**”).
- E. The City and the Occupant now wish to enter into this Agreement to provide an option for the Occupant to purchase that manufactured home, with the Occupant acknowledging that at the end of the occupancy arrangement with the City, the Occupant shall move the manufactured home to another location outside of the Park unless he Occupant has entered into a tenancy agreement with the Park Owner.

THIS AGREEMENT is evidence that in consideration of the promises below, payment of \$10.00 by the Occupant to the City and other good and valuable consideration (the receipt and sufficiency of all of which the City and the Occupant each acknowledge), the Occupant and the City agree as follows:

1. **Option to Purchase** – The Occupant shall have the option to purchase the Manufactured Home, exercisable in accordance with this Agreement (the “**Option**”).
2. **Option Exercise** – Subject to section 3, the Occupant may exercise the Option by providing written notice of such exercise to the City (an “**Exercise Notice**”) after the first day of the occupancy, and no later than one month prior to the last day of the occupancy (the “**Exercise Period**”).
3. **Exercise Restrictions** – Unless the City otherwise agrees in writing, the Occupant shall not be entitled to exercise the Option if:
 - (a) the Occupant is in default of any of its obligations under the Occupancy Agreement; or
 - (b) the Occupant has given notice to the City under the Occupancy Agreement electing to vacate the Site before expiry of the Occupancy Period.

In addition, following delivery of an Exercise Notice, the Occupant agrees not to give notice to the City under the Occupancy Agreement electing to vacate early, unless the City and the

Occupant first agree to appropriate adjustments to the time-lines under this Agreement to ensure the Closing Date occurs before the Occupant vacates the Site.

4. **Non-Exercise** – If the Occupant does not give an Exercise Notice to the City during the Exercise Period, then unless the City and the Occupant otherwise agree in writing, this Agreement shall terminate and the City and the Occupant shall have no further rights or obligations under this Agreement.
5. **Effect of Exercise** – Subject to the Occupant’s right to cancel this Agreement set out below, if the Occupant provides an Exercise Notice to the City during the Exercise Period, this Agreement shall become a contract of purchase and sale for the Occupant to purchase from the City, and the City to sell to the Occupant, the Manufactured Home for the Purchase Price (as defined below) and on the terms and conditions of this Agreement.
6. **Determination of Purchase Price** – If the Occupant provides an Exercise Notice to the City during the Exercise Period, the City shall cause an appraiser selected and provided by the City to complete an appraisal of the market value of the Manufactured Home and provide a copy of the complete appraisal to Occupant. The purchase price amount payable by the Occupant to the City for the purchase of the Manufactured Home under this Agreement shall be equal to the lesser of; the market value of the Manufactured Home determined by that appraisal, or the Initial Home Installation Value - (Schedule B) (the “**Purchase Price**”).
7. **Inspection** – For the purpose of completing such appraisal, the Occupant shall, within 24 hours following a request from the City, permit the City’s employees and appraisers to enter the Site and the Manufactured Home in order to inspect and assess the condition of the Manufactured Home.
8. **Occupant Cancellation** – The Occupant may cancel this Agreement by providing notice of cancellation to the City within 14 days following receipt of the appraisal by the Occupant and upon such notice this Agreement shall terminate and the City and the Occupant shall have no further rights or obligations under this Agreement.
9. **Deposit** – Unless the Occupant cancels this Agreement as provided under the preceding section, the Occupant shall, within 14 days following receipt of the appraisal by the Occupant, pay a deposit to the City an amount equal to 5% of the Purchase Price by way of certified cheque or bank draft. On closing, the deposit shall be credited against the Purchase Price. If the Occupant defaults on its obligation to complete the purchase of the Manufactured Home under this Agreement, the deposit shall be retained by the City as a genuine pre-estimate of the damages and losses suffered by the City as a result of such default. If the Occupant defaults on its obligation to pay to the City the deposit, this Agreement shall terminate and the City and the Occupant shall have no further rights or obligations under this Agreement.

10. **Taxes and Fees** – The Purchase Price does not include any taxes, including any transfer taxes, federal goods and services tax (GST) or provincial sales tax (PST). The Occupant shall also pay any registration fees payable to complete the transaction contemplated by this Agreement.
11. **Condition of Manufactured Home** - The Occupant purchases the Manufactured Home from the City on an “as is, where is” basis and condition except for applicable coverage exists under the builders 2-5-10 Home Owner warranty, and acknowledges and agrees that the City has made no representations or warranties whatsoever with respect to the Manufactured Home, including the condition of the Manufactured Home.
12. **Manufactured Home Relocation** – The Occupant acknowledges that the Occupancy Agreement requires that the Occupant vacate the Site by 1:00 pm on the last day of the Occupancy Period and the Occupant agrees that, unless the Occupant enters into an agreement with the Park Owner for the Occupant to continue to Occupy the Site, the Occupant shall also remove the Manufactured Home from the Site by 1:00 pm on the last day of the Occupancy Period. The Occupant shall obtain all permits and make all registrations with the B.C. Manufactured Home Registry as may be required to move the Manufactured Home from the Site and will obtain and complete such requirements before the last day of the Occupancy Period.
13. **Relocation Costs** – The City of Merritt, in the spirit of maintaining the housing stock in Merritt, will reimburse Occupant up to \$5,000 of the Relocation Cost, to be evidenced by invoice and proof of payment if the home is moved to a location within Merritt City Limits.
14. **Closing Date** – Unless the City and the Occupant agree to an earlier date, the closing of the purchase and sale of the Manufactured Home shall take place on the day that is 14 days before the end of the Occupancy Period, provided that if that day is not a business day, the closing will take place on the next following business day (the “**Closing Date**”).
15. **Closing Documents** – At least 5 days before the Closing Date, the Occupant shall execute and deliver to the City such documents as may be required to effect the transfer of ownership of the Manufactured Home and to complete the transaction contemplated by this Agreement, including a bill of sale and such documents as may be required to enable registration of such transfer in the B.C. Manufactured Home Registry and such other documents as may be required by the City, (collectively, the “**Transfer Documents**”). The City shall prepare such Transfer Documents.
16. **Closing** – On the Closing Date:
 - (a) The Occupant shall deliver to the City a certified cheque or bank draft, or a solicitor’s or notary’s trust cheque, payable to the City in an amount equal to the Purchase Price together with typical adjustments as presented by the party’s legal counsel or Notary.

(b) Upon receipt of the payment under paragraph (a), the City shall release the Transfer Documents, executed by the City as applicable, to the Occupant.

(c) Upon receipt of the Transfer Documents, the Occupant shall cause such Transfer Documents that are to be registered with the B.C. Manufactured Home Registry to be registered with the Registry, unless the City elects, or agrees with the Occupant, to handle such registration in which case the City will proceed to do so following receipt of payment under paragraph (a).

17. Post Closing Monthly Fee Adjustment under Occupancy Agreement – If the Occupant completes the purchase of the Manufactured Home pursuant to this Agreement prior to September 30, 2024, the Occupant shall no longer be required to pay to the City the portion of the Monthly Fee payable under the Occupancy Agreement for the rental of the Manufactured Home during the period from and including the Closing Date. The Occupant shall remain obligated to pay to the City the balance of the Monthly Fee (for sublease of the Site) that is due until September 30, 2024.

18. Occupant to Perform its Obligations at its Expenses – For clarity, the Occupant will perform its obligations under this Agreement at its own expense and without reimbursement or compensation from the City.

19. No Assignment– The Occupant may not assign this Agreement or the benefit of this Agreement, without the prior written consent of the City, which the City may withhold at its sole discretion and without reason.

20. Interpretation – In this Agreement:

- (a) reference to the singular includes a reference to the plural and vice versa, unless the context requires otherwise;
- (b) a particular numbered section or lettered Schedule is a reference to the correspondingly numbered section or lettered Schedule of this Agreement;
- (c) an "enactment" is a reference to an enactment as that term is defined in the *Interpretation Act* (British Columbia) on the day this Agreement is made;
- (d) any enactment is a reference to that enactment as amended, revised, consolidated or replaced from time to time, unless otherwise expressly stated;
- (e) section headings are inserted for ease of reference and are not to be used in interpreting this Agreement;

- (f) a “party” is a reference to a party to this Agreement;
- (g) time is of the essence; and
- (h) where the word “including” is followed by a list, the contents of the list shall not circumscribe the generality of the expression immediately preceding the word “including”.

21. **Notices** – Any notice, invoice, request, direction or other communication (any of which is a “Notice”) to be given or made under the Agreement, shall be in writing and shall be effectively given if delivered in person, sent by express mail or emailed to the address or email address above, in the case of the City to the attention of the contact person identified on the first page of this Agreement. A Notice shall be deemed given and received if delivered in person, when delivered; if by express mail, the earlier of 5 days following deposit with Canada Post and the date the postal receipt is acknowledged by the other party; and, if by email, when transmitted.

22. **Binding on Successors** – This Agreement enures to the benefit of and is binding upon the parties and their respective successors and assigns, notwithstanding any rule of law or equity to the contrary.

23. **Applicable Law**– This Agreement and all matters arising hereunder will be governed by and construed in accordance with the laws of British Columbia and laws of Canada applicable therein, which will be deemed to be the proper law hereof, and the courts of British Columbia will have the exclusive jurisdiction to entertain and determine all claims and disputes arising out of or in any way connected with this Agreement and the validity, existence and enforceability hereof.

24. **Entire Agreement** – This Agreement, including the Schedules hereto, constitutes the entire agreement between the parties regarding its subject matter and supersedes all previous communications, representations, warranties, covenants and agreements, whether verbal or written, between the parties with respect to the subject matter of this Agreement, and may not be modified except in writing, signed by the parties hereto.

25. **Schedules** – The following Schedules and form an integral part of this Agreement:

Schedule A – Description of Manufactured Home

Schedule B – Home Installation Value

26. Counterpart Execution and Email Delivery Permitted – This Agreement may be executed in any number of counterparts and delivered by e-mail, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument.

As evidence of their agreement to be bound by this Agreement, the City and the Occupant have executed this Agreement below:

CITY OF MERRITT

by its authorized signatories:

Mayor:

Clerk:

[add signature block for Occupant]:

Complete:

Schedule A – Site Identification and Manufactured Home Description
Schedule B – Home Installation Value

DRAFT

Schedule A

Park Site

Site Number: _____

Manufactured Home Description

Registration Number: _____

Manufacturer, Make and Model: _____

Serial Number: _____

DRAFT

Schedule B**Home Installation Value**

2 Bedroom Unit	– \$201,564.32
3 Bedroom Unit	– \$236,861.78
4 Bedroom Unit	– \$257,506.84
2 Bedroom Barrier Free unit	– \$217,579.16

DRAFT