

VILLAGE WORKS QUARTERS, JACKS POINT, QUEENSTOWN
SUMMARY OF AGREEMENT FOR SALE AND PURCHASE

Located on McAdam Drive, Jack's Point Village, Queenstown, The Village Works Quarters is a unit title development of terraced homes providing 17, 3-bedroom units (**Development**).

Like most of the developments we are seeing in the Queenstown Lakes Region, this agreement is drafted on terms that are strongly favourable to the Vendor and it is important to be informed of the terms before entering into an agreement proposed for The Village Works Quarters.

TERMS OF THE AGREEMENT

A summary of the terms of the Agreement (**Agreement**) are as follows:

1. While some of the standard Auckland District Law Society terms are used, a number of these have been altered or removed.
2. The vendor is Lemurian Holdings Limited (**Vendor**).
3. The purchase price is GST inclusive.
4. A deposit that is 10% of the purchase price is payable upon satisfaction or waiver of any conditions inserted for the sole benefit of the purchaser. If it is not paid on the due date for payment, then the Vendor can give notice requiring the same to be paid within a further three days and, if not paid within that time, the agreement can be cancelled.
5. The deposit is paid to the Vendor's solicitor who must hold it as stakeholder until settlement has occurred or until the Agreement is validly cancelled (in which case the Vendor's solicitor may release the deposit to the party entitled to receive the deposit).
6. The Agreement is conditional on:
 - a. The Vendor obtaining all resources consents, building consents and any other consents or approvals required from the Southern Village Design Review Board by 31 October 2022;
 - b. The Vendor achieving sufficient pre-sales of units in the Development by 31 March 2022; and
 - c. The Vendor obtaining a separate record of title for the unit within 24 months of the later of the first two conditions being satisfied or waived.

The Vendor has the right to extend the date for satisfaction of the conditions contained in each of the first two conditions on two occasions by up to 3 months

each, if in the Vendor's sole opinion, the extensions are necessary in order to complete the Development.

7. If the purchaser has indicated that the purchaser requires a due diligence period, then the Agreement is conditional upon the purchaser being satisfied in all respects with a due diligence investigation of the Unit on or before the date recorded in the Particulars of Sale.
8. The Development will be a unit title development and a draft set of body corporate rules are attached to the Agreement and are summarised below.
9. A copy of the Outline Plans and Specifications is attached to the Agreement. You acknowledge that the Outline Plans and Specifications are preliminary, not detailed and are yet to be developed into full working plans and specifications.
10. The Agreement makes it clear that the Vendor may make any adjustments or variations to the Outline Plan, Specifications and any subsequent plan relating to the Development, so long as they do not have a material adverse effect on the use or value of the unit.
11. The Vendor will register a land covenant or encumbrance against the title for the unit prohibiting the owner or occupier from using the unit for the purpose involving the business of real estate agency work, property management or leasing or letting of residential or commercial property.
12. The Agreement specifically provides that the Vendor may grant any easements, encumbrances and consent notices required to complete the Development.
13. The Purchaser acknowledges that the Vendor will contract the Builder to carry out construction of the unit and procure that the Builder carries out and completes construction:
 - a. With proper skill and care;
 - b. Substantially in accordance with the Outline Plans and Specifications;
 - c. According to the Consents (defined in the Agreement); and
 - d. According to the requirements of all relevant authorities.
14. The Builder can vary the materials used in the construction of the unit and can substitute like materials provided such amendment or substitution does not materially adversely affect the use, value or enjoyment of the unit.
15. The measurements and areas of the Unit are subject to change as required by the Vendor. If the final area of the unit you purchase differs by more than 5%, the purchase price shall be adjusted upward or downward by an independent registered valuer appointed by both parties. If the final area of the unit you purchase differs by more than 10%, the Purchaser may, within five working days of becoming aware, cancel the Agreement and receive a full refund of the deposit and net interest.

16. The Vendor is required to make good defects notified by the purchaser within twelve (12) of practical completion or date of possession, whichever is the earlier. Refer to clause 24.8 of the Agreement for more information on what constitutes a defect.
17. The Vendor will after the Settlement Date, for the purpose of completing the Development, have the right to access the unit at all reasonable times and upon prior written notice, in order to complete the Development.
18. *No Warranty* – The Vendor gives no warranty as to when the new record of title for the unit will be available.
19. *Settlement Date* – The balance of the purchase price is to be paid on the settlement date, which is the later of:
 - a. Seven (7) working days after the date on which the Vendor’s lawyer gives the Purchaser or Purchaser’s lawyer a copy of the Code Compliance Certificate for the unit;
 - b. Seven (7) working days after the date on which the Vendor’s lawyer gives the Purchaser or Purchaser’s lawyer confirmation that the unit has achieved practical completion;
 - c. Seven (7) working days after the date on which the Vendor notifies the Purchaser or the Purchaser’s lawyer in writing that a search copy of the new record of title for the unit is available; and
 - d. Five (5) working days after the date on which the Vendor gives the Purchaser the pre-settlement disclosure statement under section 147 of the Unit Titles Act 2010.
20. The purchaser is deemed to have accepted the Vendor’s title in every respect once it issues and are prohibited from making any objections or requisitions to the title.
21. The purchaser is not entitled to cancel the Agreement or any of its provisions or make any claim for compensation or damages in respect of any issue relating to design, title, measurements, easements and encumbrances over the title, the sunset date, or any other means to administer the Development.
22. *Sunset date* – If settlement has not occurred within 24 months of satisfaction or waiver of the first two conditions contained above at 6, you have the right to cancel the Agreement, but to do so, you must provide notice in writing within five (5) working days after this date. The Vendor has the right to extend the Sunset date for a period of up to six (6) months if required.
23. *Force Majeure* – In the event that a Specified Event (as defined in the Agreement), such as restrictions imposed due to pandemics or epidemics, prevents the Vendor from commencing or continuing construction of the development or renders it impractical for the Vendor to commence or continue construction of the development, then the Vendor may by notice in writing to the purchaser advise of the Specified Event and cancel the Agreement and neither party will have any right or claim against the other.

24. *Compliance with Statutes* – The purchaser confirms that the purchaser does not require consent under the Overseas Investment Act 2005 to purchase the unit. You must, upon receipt of a request from the Vendor, provide information relating to your residency and ability to purchase land in New Zealand
25. *Variations to Development* – The Agreement states that the Vendor may alter the Outline Plans and Specifications, or any other plans relating to the Development at any time before or after Settlement Date provided that such alteration, variation, cancellation, or adjustment does not in the sole opinion of an independent registered valuer materially diminish the value or use of the unit.
26. *Settlement in full* – The Agreement sets out that you will settle in full on the Settlement date and not demand any retention of funds.
27. *Right of Inspection* – The purchaser (or their representative) may enter the property on one occasion prior to settlement and to re-enter the property no later than the day prior to the settlement date to confirm compliance by the Vendor with any agreement made by the Vendor to carry out any work. The purchaser shall not however withhold the balance of the purchase price (or any part of it) by reason of any defect, shrinkage or fault in the unit identified during the pre-settlement inspection.

Please contact the agent to arrange the inspection closer to settlement.

28. *Assignment of warranties* – As soon as possible after settlement the Vendor will assign to you or the Body Corporate (as defined in the Agreement) any guarantee and warranty it holds in respect of the unit and the works.
29. *Purchaser variations* – You may request at your cost for the Vendor to make certain variations to the Outline Plans and Specifications. The Vendor is not obliged to accept the requests for variations.
30. *Jack's Point Development* – The purchaser will not object to any construction or development undertaken by the Vendor and/or Developer within Jack's Point. The Agreement specifically provides that the Vendor and/or Developer with Jack's Point to grant any easements over or under the property as required for Jack's Point to proceed for its development.
31. *Jack's Point Residents & Owners Association Incorporated* – The purchaser acknowledges that by entering into the Agreement, they subscribe to become a member of the Jack's Point Residents & Owners Association Incorporated. This includes payment of the Society levies and the levies for Jack's Point Gold Club. More information can be obtained [here](#).
32. *No caveat* – The purchaser has no right to caveat the Vendor's Land (as defined in the Agreement) unless a separate record of title has been issued for the unit and the Vendor is in default of any of its obligations under the Agreement.
33. *Vendors Development Funding* – The purchaser acknowledges that the Financier (as defined in the Agreement) will require the Vendor to execute in favour of the Financier an assignment of the Vendor's interest in the Agreement by way of security for the Development Funding.

34. *On sale* – The purchaser may assign or on sell the Property prior to settlement with the prior written approval of the Vendor. The new purchaser will need to enter into a deed of covenant stating they will meet all of your obligations under the Agreement.
35. *Development* – The purchaser will acknowledge that the purchaser is not purchasing the unit in reliance on the Development proceeding in any particular way, form, or time.
36. *Power of attorney* – This Agreement creates a power of attorney in favour of the Vendor for the purpose of signing and doing all things necessary to complete the Development. You irrevocably nominate, constitute and appoint the Vendor or any nominee of the Vendor to be your true and lawful attorney for the purposes of executing all documents and plans and perform all acts, matters and things as may be necessary (without limitation) to discharge any caveat registered against the underlying land. The Vendor can require a purchaser to enter into a separate deed for the purposes of the provisions contained in clause 29.0 of the Agreement.

BODY CORPORATE RULES

1. The draft body corporate rules are attached to the Agreement at schedule 4.
2. These contain numerous restrictions on use of the individual properties and the common areas and security and safety requirements which a prospective purchaser will need to read and carefully ensure they comply with.
3. Each owner is required to pay an annual levy. An initial budget levy has not been set.
4. Owners are not to damage or deface common property and must only use common property for its intended use
5. An owner may not make or permit noise or behaviour, in a unit or the common property, that is likely to interfere with the use and enjoyment of other owners.
6. An owner of a unit must not park a vehicle on any part of the common property.
7. No signs or notices of any kind can be erected or fixed on any part of the common property or external part of a unit.
8. Aerials, satellite dishes and antenna may not be fixed to the exterior of a unit or common property without the prior consent of the Body Corporate.
9. Rubbish must not be left in common areas, except those designated for rubbish collection.
10. Each owner is to ensure that their unit and any garden or yard within the unit is kept neat and tidy.
11. Owners are not allowed pets including fish or small birds, without the consent of the Body Corporate.
12. Only those parts of the common property designated as washing line areas can be used to hang any washing, and such items may only be hung for a reasonable period.

A number of the above conditions are standard clauses for this type of Development.

We stress that the above is purely a summary of the terms of the agreement. Purchasers should read the Agreement in full and seek legal advice prior to signing it.

TODD & WALKER Law are one of Central Otago's leading law firms with offices in Queenstown and Wanaka. Australasian legal sector publication LawFuel recognised us as being one of New Zealand's six emerging legal firms and as... "a boutique law firm with a small firm culture capable of tackling big law jobs".

We regularly act for clients who are purchasing properties in subdivisions and developments in the Queenstown Lakes Region and we are familiar with the various complexities involved.

Find out more information about our Property team and services [here](#). Should you have any queries concerning the terms of the agreement you should not hesitate to contact us as follows:

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