

**ALEXIS APARTMENTS, QUEENSTOWN**  
**SUMMARY OF AGREEMENT FOR SALE AND PURCHASE**

Alexis Apartments (the “Development”) is a proposed unit title development located at 133 - 139 Hallenstein Street, Queenstown. It consists of 32 residential units and 6 retail and service units

Like many of the “off the plans” sale and purchase agreements we see in the region, the terms are written strongly in favour of the developer. In light of that, it is important for purchasers to be informed of the terms before entering into an unconditional agreement.

**Note: We have not received the further GST information or Body Corporate Rules referenced by the agreement, and as such are unable to provide information in respect of those details at this stage.**

**TERMS OF THE AGREEMENT**

A summary of the terms of the agreement (the “agreement”) are as follows:

1. Mico Development Limited is the vendor (the “Vendor”).
2. The purchase price is inclusive of GST (“Purchase Price”).
3. The fixtures and fittings referred to in the plans and specifications for the Development (the “Plans and Specifications”) together with any agreed extras will be installed in the unit and any accessory unit(s) being purchased (the “Property”) on or before the settlement date and are included in the Purchase Price.
4. The deposit is 10% of the Purchase Price payable as follows (the “Deposit”):
  - a. \$10,000 payable on signing of the agreement;
  - b. the balance payable on or before the date which is 10 working days following the date of the agreement.

*Increased Deposit for Non-New Zealand Citizens*

5. The Deposit amount for purchasers who are not New Zealand citizens or permanent residents is 20% of the Purchase Price.

**Note: Withdrawing Kiwisaver funds for payment of the deposit can take up to 10 working days. An application must contain a signed agreement. Therefore, if a purchaser is relying on Kiwisaver to pay their deposit there is the possibility that the application will not be processed within the time the deposit becomes due, and the Vendor may have the right to cancel the agreement. Purchasers who are relying on Kiwisaver should contact their Kiwisaver scheme provider prior to the signing of the agreement because pre-approval steps can be taken in order to speed up the application process.**

*Settlement Date*

6. The settlement date is the latest of the following dates:

- a. Five working days following the issue of Code of Compliance in respect of the building containing the Property (the “Building”);
  - b. Five working days following issue of separate title for the Property;
  - c. Five working days following the date the Vendor gives the purchaser a unit title pre-settlement disclosure statement; or
  - d. Five working days following the issue of a Certificate of Practical Completion for the Building.
7. If a purchaser fails to complete settlement on time, they will be charged a late settlement penalty fee of 14%. That is a standard rate for this type of agreement.

*Pre-build conditions*

8. The agreement is conditional until the Vendor confirms:
- a. It has procured all necessary finance arrangements, sales, and contracts that it considers necessary or desirable; and
  - b. It has procured all necessary consents on terms and conditions satisfactory to it in all respects (“Pre-build conditions”);
- on or before 31 August 2018. The Vendor can extend that date to **30 November 2018**.

*Build and New Title Conditions*

9. The agreement is conditional until the Vendor confirms:
- a. A separate unit title has been issued for the Property; and
  - b. Practical Completion for the Building has been achieved; and
  - c. A Code of Compliance Certificate for the Building has been obtained (“Build and New Title Conditions”).
10. The Build and New Title Conditions are due for satisfaction on or before 31 October 2019 (“Due Date”). The Vendor can extend the Due Date for a further six months in the case of delays. That means **the agreement could be conditional up until 30 April 2020**.

*Construction*

11. The Vendor will use reasonable endeavours to construct and complete the Building in a proper and workmanlike manner.
12. **The Vendor is not responsible for delays in construction** of the Building or the unit title complex that contains the Property (“Unit Title Complex”).
13. The Vendor can amend or vary the Scheme Plan, Unit Title Plan, and/or the Plans and Specifications.
14. If materials set out in the Plans and Specifications are unavailable the Vendor can substitute the material for another of similar value and quality.
15. The Vendor must fix any defects in the Building notified by the purchaser to the Vendor in writing within 30 days following the settlement date (“30-day warranty”).
16. After expiry of the 30-day warranty period, the Vendor’s liability for repairs is limited to the fullest extent allowed by law.
17. The purchaser will not:

- a. withhold any part of the balance of the purchase price by reason of any omission, defect, shrinkage or fault in the Property or the Building;
  - b. claim set-off, compensation, damages or indemnity in respect of the rectifications occurring pursuant to the 30-day warranty; or
  - c. make any objection, requisition or claim for compensation because of any alteration to the Plans and Specifications or finishes which are made for one of the reasons listed in the agreement.
18. There is no obligation on the Vendor to consent to any variations requested by the purchaser to the Plans and Specifications, Scheme Plan or Unit Title Plan.
  19. The Vendor will assign the benefit of any principal building contractor's guarantee to the Body Corporate to the fullest extent possible as allowed by the original guarantee terms.

#### *Staging and Completion*

20. The purchaser acknowledges that parts of the Development will be completed in stages, varied, or not completed at all, and as such when the Vendor calls for settlement some of the Development will not be completed.

#### *The Property, Easement and Encumbrances*

21. The Property is sold subject to all existing interests on the current title; the Vendor may elect to surrender any interest prior to settlement.
22. The Vendor can cause any easement, consent notice, covenant, encumbrance, right or obligation to be registered on the separate title for the Property.
23. The purchaser will not lodge submissions on any planning proposal lodged by the Vendor in respect of the Development land or any adjacent or nearby land.
24. The purchaser will provide affected person's approval ("APA") in respect of any such planning proposal. That means, in considering whether or not to grant any further consents or permits for the Development land or any adjacent or nearby land, the council cannot take into account any potentially negative impacts such proposed development will have on the purchaser.

#### *Measurement and Areas*

25. The size, dimensions, and measurements of the Property, Building, and Development are approximate and are subject to variations arising out of the development process.

#### *Variations to Development and Unit Title Complex*

26. The Vendor can amend the Scheme Plan and the Unit Title Plan so long as the final area of the principle unit is not materially less than the area of that unit shown in the Scheme Plan. **A material reduction in area or value is a reduction of more than 5% in area or value.**

#### *Body Corporate Rules*

27. Up to the settlement date the Vendor may vary or completely replace the Body Corporate Rules.

#### *Deposit*

28. The Deposit, plus any interest, will be released to the Vendor on settlement.
  - a. **If the agreement is cancelled because of purchaser default the Deposit will be released to the Vendor.**

- b. If the agreement is cancelled for any other reason it will be refunded to the purchaser.

*Purchaser Not to Caveat*

- 29. The purchaser will not lodge a caveat against the Vendor's Development titles. The purchaser may lodge a caveat on the separate title to the Property if the Vendor is in default.

*On Sale*

- 30. On-selling prior to settlement requires the consent of the Vendor. The Vendor may withhold, or place conditions upon, such consent.**

*Purchasers Acknowledgement*

- 31. The purchaser acknowledges that any landscape development plans are indicative only, and estimated Body Corporate levies are approximate only.
- 32. The purchaser agrees to be bound, as a member of the Body Corporate, by any agreements the Vendor may have arranged prior to settlement, and further, to enter into any such agreements as may be required after settlement.
- 33. The Vendor gives no warranty to the Purchaser as to when:**
  - a. The title to the Property will issue;
  - b. The consents, Practical Completion or Code of Compliance Certificate will be obtained;
  - c. The transfer of the Property from the Vendor to the purchaser will be registered; nor
  - d. The Unit Title Complex or the Development will be completed, in full or in part.

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

*TODD AND WALKER Law are a boutique law firm with offices in Queenstown, Frankton and Wanaka. We provide our clients with experienced, valued, pragmatic legal advice. We regularly act for clients who are purchasing properties in subdivisions and developments in the Queenstown Lakes Region, so we are familiar with the various complexities involved.*

*For more information about our team and services, go to [www.toddandwalker.com](http://www.toddandwalker.com), or see our facebook page <https://www.facebook.com/toddandwalker.com>*

*Should you have any queries concerning the terms of the agreement you should not hesitate to contact us as follows:*

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