



CORPORATE POLICY MANUAL

Section:	Legal Matters	6
Sub-Section:	Agreements - Land Sale/Option Agreements	2260
Title:	POSTPONEMENT AGREEMENT	1

POLICY

When Options to Purchase to ensure compliance with construction obligations are registered as first charges in favour of the District and a prospective mortgagee requests in writing that the Option be postponed in favour of their mortgage and undertakes to assume the purchaser's obligations in the event of foreclosure and require any subsequent assignee to do the same, the Mayor and Municipal Clerk are authorized to execute a Postponement Agreement to that effect *PROVIDED THAT* the Postponement Agreement is in a form approved by the Municipal Solicitor and that all costs are borne by the owner.

REASON FOR POLICY

To facilitate efficient execution by the Mayor and Municipal Clerk of agreements postponing options in favour of the District to mortgages provided that the mortgagee undertakes to assume the owner's construction obligations in the event of foreclosure or require any subsequent assignee to do so.

AUTHORITY TO ACT

Delegated to Staff

PROCEDURE

1. Mortgagee requests postponement of option to their mortgage in writing.
2. The Manager-Regulatory Services delivers the required form of Postponement to the mortgagee for execution.
3. After execution of the Postponement Agreement by both the Mortgagee and the District, the Manager – Regulatory Services either submits the agreement for registration or requires the Mortgagee's solicitor to do so.

Approval Date:	April 27, 1987	Approved by:	Policy & Planning Committee
1. Amendment Date:	December 11, 1995	Approved by:	Regular Council
2. Amendment Date:		Approved by:	
3. Amendment Date:		Approved by:	