

Form 62

APPLICATION FOR CONDITION OR COVENANT ON A TRANSFER

Land Titles Act, SNB 1981, c. L-1.1, s.48.1

Applicant: **THE CITY OF FREDERICTON**
397 Queen Street
Fredericton, NB E3B 1B5

Condition or Covenant: First Time Homebuyers Grant Restrictive Covenant
(See Attached)

The applicant applies for the assignment of a number to the specified condition or covenant. A description of the parcel being benefitted shall be included where it is required under subsection 20(8) of N.B. Regulation 83-130 under the *Land Titles Act*.

Date: July __, 2025

Applicant:
T. Ryan Seymour
for THE CITY OF FREDERICTON

Number assigned to the specified condition or covenant:

Registrar General of Land Titles

The City of Fredericton
First Time Homebuyers Grant Restrictive Covenant

1. The Grantor covenants that all erections, buildings, machinery, plant, and improvements whatsoever, including furnaces, boilers, water heaters and all plumbing, air conditioning, ventilating and heating equipment, electric light fixtures, window blinds, storm windows and storm doors, window screens and screen doors, and all apparatus and equipment appurtenant thereto, which are owned by the Grantor and which are now or which shall hereafter be put upon the lands and premises, are or shall thereafter be deemed to be fixtures and a part of the Property, even though not attached otherwise than by their own weight;
2. The Grantor covenants with The City of Fredericton (the "City") that the Grantor will not make or permit to be made any demolition, alterations or additions to the Property without the consent of the City, and will not use the Property or permit it to be used, without the consent of the City, for a purpose other than for a new, modestly designed, and priced home as set out in the Housing Accelerator Fund First Time Homebuyers Grant agreement between the City and the Grantor (the "Funding Agreement"). Notwithstanding the foregoing, the Grantor shall be permitted to make small changes to the Property such as adding a modest deck or shed, provided that all building permits are obtained and City by-laws are followed;
3. The Grantor covenants with the City that the Grantor shall pay all taxes, rates, levies and assessments upon the lands and premises during the continuance of this Covenant as and when the same become due and payable, and shall produce to the City receipts for such payments within 30 days, when so requested by the City;
4. The Grantor covenants with the City that the City may pay any liens, taxes, rates, charges or encumbrances now or hereafter existing upon the lands and premises having or which the City may bona fide consider to have priority, and in that event the City shall have all the rights of and stand in the position of and be entitled to all the rights, equities and securities of the person so paid off; and any amounts so paid shall be payable forthwith by the Grantor to the City. For clarity, the right under this paragraph is at the discretion of the City for the purpose of protecting its interests and the City shall be under no obligation to exercise its right under this section;
5. Other than a security interest to build a new, modestly designed, and priced home as set out in the Funding Agreement or any security interests consented to writing by the City, the Grantor covenants with the City that the Grantor shall not grant any security interest to any party or allow any party to register a security interest against the Property and the Grantor shall not allow the registration of any claim of a statutory security interest without taking immediate steps to have such security discharged and provide the City with evidence of such steps being taken, when requested by the City;
6. The Grantor covenants with the City that the Grantor will proceed with construction of a new, modestly designed, and priced home on the Property by obtaining a building permit within nine (9) months of the closing of the sale of the Property from the City to the Grantor and the Grantor further covenants that the construction of the new, modestly designed, and priced home shall be completed within two (2) years of the closing of the sale of the Property from the City to the Grantor. Failure to satisfy the covenants in this section shall be deemed a material breach of the Funding Agreement, the remedy for such breach shall be that the City shall have the right to repurchase the Property from the Grantor at the original purchase price. To add further clarification, but in no way to reduce the generality of the foregoing, in the event there is a default providing the City with the right to repurchase the Property, the Grantor shall not be entitled to any increase in the purchase price to account for any work completed at the Property.
7. The Grantor covenants with the City that the Grantor shall not transfer any interest in the Property or cease to use the Property for the principal residence of the Grantor's immediate family during the period of ten (10) years following construction of the new, modestly designed, and priced home on the Property. In the event that the Grantor wishes to transfer any interest in the Property or cease to use the Property for the principal residence of the Grantor's immediate family during the period of ten (10) years following construction on the Property, the Grantor shall notify the City of its intention at least forty-five (45) days prior to such action occurring. Failure to satisfy the covenants

in this section shall be deemed a material breach of the Funding Agreement, the remedy for such breach shall be that the Grantor shall immediately repay to the City the amounts set out in the Funding Agreement;

8. The Grantor covenants with the City that the Grantor shall not breach any of its obligations to the City under sections 6 (c), (d) or (e) the Funding Agreement. Failure to satisfy the covenants in this section shall be deemed a material breach of the Funding Agreement, the remedy for such breach shall be that the Grantor shall immediately repay to the City the full amount of the grant received under the Funding Agreement;
9. The Grantor covenants with the City that the Grantor shall not breach any of its other obligations to the City under the Funding Agreement;
10. On breach of any covenant, agreement or proviso herein contained, or contained in this Covenant or the Funding Agreement, or implied on the part of the Grantor to be made, observed or performed; or if any waste be committed or suffered on the lands and premises or any act or thing be done by the Grantor by which the value of the lands and premises shall, or in the opinion of the City may, be diminished to the point that it will not be capable of providing a modestly designed and priced home for the full period set out in the Funding Agreement; or if the Grantor makes an assignment for the benefit of creditors or a proposal under the *Bankruptcy Act*, or has a bankruptcy petition filed against it; or if the Grantor allows a creditor to enter judgment against it by reason of its financial inability to pay a debt or debts; then the City shall have the right to deliver notice requiring repayment under this Covenant, and may exercise any other rights and remedies it has under this Covenant or the Funding Agreement, by operation of law or equity;
11. This Covenant shall not operate by way of merger of any obligation of the Grantor to the City or any contract or instrument by which the same may now or at any time hereafter be represented or evidenced, and no judgment obtained by the City shall operate by way of merger of this Covenant or the Funding Agreement or in any way affect the security hereby created or the City's right to interest;
12. In the event that the City (or a representative thereof) delivers notice to the Grantor of its default on the terms of the Funding Agreement and such default remains unremedied for a period of twenty-five (25) days after delivery of such notice, or in the event that Grantor allows any registered claim of a statutory security interest for a period of twenty-five (25) days without taking steps to remove or defend against such claimed security interest, fails to pay property taxes or other statutory levies against the Property for a period of twenty-five (25) days past their due date (unless the Grantor can provide evidence that it is actively disputing such charge and such dispute remains unresolved) transfers or purports to transfer any interest in the Property, stops using the Property as the principal residence for the family of the Grantor, commits an act of bankruptcy, fraud, misconduct, a criminal act, gross negligence or willful misconduct, the City may then deliver notice to the Grantor requiring compliance with the terms of this Covenant and/or the Funding Agreement, and the City may exercise any other rights and remedies it has upon default by the Grantor under this Covenant or the Funding Agreement, by operation of law or equity;
13. The Grantor and City agree that the term of this Covenant be from the date herein for a period of ten (10) years or until the amount set out in section 8 of the Funding Agreement is paid to the City, whichever occurs first;
14. The Grantor and the City agree that the City shall have the right to withhold consent to any proposal from the Grantor requiring its consent for any reason, and shall not be obligated to provide any reason for such withholding of consent to the Grantor. The parties further agree that in the City providing consent shall be applicable only to the specific instance for which consent was sought and shall not be deemed to be consent for anything thereafter;
15. In the event that the Grantor is required to repay the funding provided by the City, upon payment of such funding and any and all other amounts owed under this restrictive covenant or in any grant agreement from the City, the City shall provide the Grantor with a release of this restrictive covenant; and the failure of the City to insist upon the strict performance of any obligation of the Grantor contained in any section or provision of this Covenant or the Funding Agreement shall not be deemed to constitute a waiver

of such obligation, and the waiver by the City of any breach of this Covenant or the Funding Agreement shall not be deemed a waiver of any future or other breach. No waiver by the City shall be effective unless made in writing.