

(Date)

(Name)

(Address 1)

(Address 2)

(Salutation)

**Re: Lot No. Rhyne Park Housing Development, St. James**

This is to advise as follows:-

1. That the Contracts for the purchase of land and the construction of a house on that land are now ready for signing.
2. Your appointment for signing the document is \_\_\_\_\_.
3. When you are coming in please bring with you at that time your earnest money receipt or receipts, and if you have not already done so, proof of your income(s) and Tax Registration Number(s).

**PLEASE NOTE THAT IF YOU DO NOT BRING YOUR ERNEST MONEY RECEIPT(S) YOU CANNOT SIGN YOUR CONTRACTS.**

As you know, the following sums are now due and payable:-

Surveyor's identification fee  
G.C.T. thereon

Your portion of Attorney's fees on  
Land Nomination & House Construction  
Agreement, obtaining lot Titles,  
preparing transfer and negotiating  
with Long Term Lenders.

G.C.T. thereon

Estimated Interest

Your portion of stamp duty and registration  
fee on Transfer

Total payable to Gore Developments Ltd.

If you have not already paid these sums you should now let us have a certified cheque, made payable to Gore Developments Limited in the amount of \$ .

In an effort to ensure that you understand the contents of your Contract, we now set out below descriptions of the special provisions of the Agreements and an explanation of the procedure involved in buying a home. Although we will review this with you at our meeting, please READ this carefully.

## **(1) JOINT OWNERSHIP OF LAND**

If two or more of you are buying this home together the Law gives you a choice as to how you will own it together - either as Joint Tenants or Tenants-in-Common.

Joint Tenancy: On the death of one party the premises would go to the other party or parties by operation of Law and no joint tenant can dispose of his interest by Will.

Tenancy in Common: Each party owns an undivided share in the premises and on the death of one party his share would go as provided by his Will or as on Intestacy.

Tenants-in-common can own equally or in different proportions i.e. 1/4 to one person, 3/4 to the other or a 1/3 to each person if there are three of you.

In either case all of you should have a Lawyer prepare a Will for you so that you pass your interest in the property effectively to your children and loved ones when you die.

## **(2) TIME IS OF THE ESSENCE OF THE CONTRACT**

It is essential that whenever you are required to take any action in relation to this transaction you do so very quickly but definitely within the time frame that we have set. If you fail to do anything within the following specified time frames, the Agreements will be automatically void and of no effect and we will refund your deposit less \$25,000.00.

- (a) Within seven (7) days of the date of the Agreement you are required to attend at the office of your Mortgagee for the purpose of having an interview and provide all required information, applications, proposals and documents (see Paragraph 7.01 (B)(i) of the Agreement).
- (b) Within twenty-one (21) days of the date of the Agreement you are required to present to us a letter of commitment from your Mortgagee for the Mortgage Loan (see Paragraph 7.01 (B)(ii) of the Agreement).
- (c) In the event that you do not require a Mortgage Loan, then within seven (7) days from the date of the Agreement you must obtain and deliver to us a guarantee or undertaking from a Bank, a firm of Attorneys-at-Law or a Financial Institution acceptable both as to form and as to institution or firm guaranteeing or undertaking to pay the balance of the contract price or any balance thereof and other costs including any additional interest due to Gore Developments Limited (see Paragraph 7.01 (B)(iii) of the Agreement).

## **(3) INTEREST**

We have priced the unit on the assumption that we will receive the balance of the purchase price within seven (7) days of the practical completion of the units. We will notify you in writing when the house is ready. If we receive the balance purchase price from your Mortgagee within the seven (7) days we will not pass on the additional interest cost to you. If however your Mortgagee delays in disbursing the Loan Funds beyond the seven (7) day period we will pass on the actual cost of that delay to you.

We therefore collect from you on the signing of the Agreement two weeks estimated interest. We will refund that amount to you if your Mortgagee pays us within the seven (7) day period. We will only deduct from the amount the interest charged for the actual days of the delay beyond the seven (7) day period and will pay back to you the difference, if any, when we hand over the units (see Section 7.12, 7.14 of the Land Nomination & House Construction Agreement).

**You are required to vigorously follow up your Mortgagees after your loan has been approved. The Mortgagee's Attorney should be immediately instructed and in the event you are doing a Building Society/NHT loan a Pari Passu Agreement must be executed by them in preparation for Registration of Title and Mortgage.**

Please be assured that although we advise you of exactly where in the process your Mortgage proceeds are at that time, it is your responsibility as the purchaser to pay within that seven (7) days period.

**(4) ESCALATIONS**

In the event that the cost of labour, building materials, interest rates, professional fees etc. are increased after the dates mentioned in paragraph 7.09 of the Land Nomination & House Construction Agreement the price of the unit will be increased accordingly.

A certificate from the Quantity Surveyor or Architect as to these escalations is final and binding (see paragraph 7.09 of the Land Nomination & House Construction Agreement).

**(5) ESTIMATED ESCALATION**

At reasonable intervals during the course of construction we will, if escalations occur, notify you of these estimated increases in the cost of the units. At that time we will give you a copy of an Estimated Escalation Certificate issued by our Quantity Surveyor or Architect. Within seven (7) days of the date of us notifying you, you will then be required to provide us with either:-

- (a) A letter of commitment increasing your Mortgage Loan to cover the estimated increase; or
- (b) An undertaking from a financial institution acceptable to us undertaking to pay the estimated increase; or
- (c) A Manager's cheque in the amount of the increase.

If you fail to deliver either of the above within the said seven (7) days, the Agreement will be void and of no effect and we will refund to you all amounts which you have paid (except any sums paid or payable to third parties) less a deduction of \$25,000.00 when the lot is resold(see paragraph 7.09(d) of the Land Nomination & House Construction Agreement).

At this stage we are asking Purchasers to budget for a 10% -15% escalation. We are by no means sure this will be the actual escalation but we encourage you to budget for this figure from now.

**(6) ESCALATION IN ATTORNEY'S & SURVEYOR'S FEES TO BE FOR PURCHASER'S ACCOUNT**

The Attorney's and Surveyor's fees set out in items 7 and 8 of the Third Schedule to the Agreement may increase hereafter. If they do, any such increase will be for your account and will be due and payable to us within seven (7) days of written notice to you of such increase (see Paragraph 7.25 of the Agreement).

**(7) CONTRACTOR'S RIGHT TO VARY CONSTRUCTION PROGRAMME**

We have established our construction programme with a view to handing over the units on the dates exhibited in our offices.

We may, with the approval of our Architect or Quantity Surveyor, vary the building system and method of construction and the timing and progress of construction. We are entitled to delay the commencement of construction for any reason beyond our control notwithstanding the provisions of the Construction Programme without liability to you (see paragraph 3.02 of the Agreement).

**(8) PROVISIONS FOR EXTENSION OF TIME FOR COMPLETION OF CONSTRUCTION**

The dates for completion of construction set out in paragraph (7) above will be reasonably and fairly extended if construction is delayed for any of the reasons set out in paragraph 6.02 of the Agreement such as strikes, inclement weather, failure of the relevant authorities to provide us with a proper water or electricity supply or sewage treatment plant. A Certificate from our Architect or Quantity Surveyor granting an extension of time is final and binding between us (see paragraph 6.02 of the Agreement).

**(9) ESCALATIONS DUE TO EXTENSIONS OF TIME**

Any increase in the cost of construction as a result of any delay for any of the reasons set out in paragraph 6.02 of the Agreement will be for your account in the same manner as is described in paragraph (4) above.

**(10) NOTICE**

Whilst we do try to make contact with you by phone, it is also essential from an evidentiary point of view that we communicate with you in writing and that we can prove that we have delivered the letter to you. The Agreement therefore provides that you are deemed to have received letters from us forty-eight (48) hours after the date of posting same in any Post Office in Jamaica (see Paragraph 7.06 of the Agreement) It is therefore essential that if you change your home or work address you let us know immediately.

**(11) DEFECTS LIABILITY PERIOD**

When we are handing over the unit to you, you are required to inspect the building along with one of our representatives on site. You must then make a list of all defects which you see in your unit. We will then rectify such of those defects which you have listed as the Architect or Quantity Surveyor approves. We will also rectify any other defects which the Architect or Quantity Surveyor specifies. **WE ARE NOT REQUIRED TO RECTIFY DEFECTS AND DAMAGE CAUSED BY YOU.**

A Certificate of Final Completion of Minor Defects (whether complained of or not) issued by the Architect or Quantity Surveyor is final and binding between us (see paragraph 7.02(B) of the Agreement).

We will only be liable for structural defects in walls, roof, floors or foundation which appear within one hundred and eighty (180) days of the completion of construction and which you notify to us within that period and which are approved by the Architect or Quantity Surveyor.

All structural defects will be rectified according to our remedial works schedule. Due to tropical conditions and the contraction and expansion of concrete you are to expect hairline cracks. These are surface cracks which do not affect the structural integrity of your unit.

A Certificate of Final Completion of Structural Defects whether complained of or not issued by the Architect or Quantity Surveyor is final and binding between us (see paragraph 7.03 of the Agreement).

**(12) NWC RECEIPT/HANDOVER**

Please note that keys to your unit will only be delivered to you upon presentation of the NWC Receipt evidencing that you have entered into a contract with the NWC for the supply of water to your unit.

**(13) TRANSFER TAX**

If the Stamp Commissioner assesses the value of the lot and house that you are buying to be more than the Contract Price which you are paying we will be entitled to cancel the Agreement by giving you seven (7) days written notice. All sums paid by you will be refunded save and except sums paid to third parties.

(14) **FENCING**

The cost of your unit does not include the price of a fence or retaining wall and we will not be responsible to provide any fence or retaining wall for your unit.

(12) **JAMAICA PUBLIC SERVICE (JPS)**

Gore Developments Limited has complied with all its obligations as a developer to JPS and upon handover of your unit all lines will be tested. Thereafter your connection to JPS will be entirely a matter between yourself and JPS and Gore Developments Limited will not be responsible for any connections that are not made.

(16) **FURTHER CONSTRUCTION ON UNIT**

You must have a plan for expansion drawn and signed by a certified architect. The plan must be drawn in accordance with the covenants on the title imposed by the St. James Parish Council/St. Catherine Parish Council. You must submit the plan to the St. James Parish Council/St. Catherine Parish Council for approval prior to Commencement of construction.

We hope that you understand all of the above provisions. If you do not, please ask one of our members of staff to explain whatever it is you do not understand. It is essential that you **understand** the provisions of these Agreements before you sign.

Yours faithfully,  
**GORE DEVELOPMENTS LIMITED**

**Per**  
**Legal Assistant**