



# DRUMHELLER

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## COUNCIL POLICY

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### **COUNCIL POLICY #C-06-02**

### **LONG TERM LEASE AGREEMENT COMMISSIONS**

#### **THE PURPOSE OF THIS POLICY IS TO:**

Establish a fair and competitive commission rate and payment system for real estate agents who negotiate long-term leases for Town owned properties on behalf of the Town of Drumheller.

#### **POLICY STATEMENT:**

The Town of Drumheller may pay licensed real estate agents a commission for any lease purchase agreement signed by a third party for Town owned property. The total commission shall be calculated as follows:

$$\text{Commission} = \text{Total \# of lease payments} \times \text{Periodic payment} \times \text{Commission rate}$$

where the commission rate is a percentage rate established by resolution of Town Council.

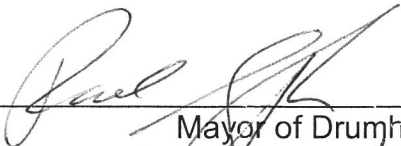
In the event that the lease is converted into a purchase of the property, the real estate agent may be eligible for an additional commission equal to a percentage of the net purchase price. The net purchase price is defined as the option to purchase price less any lease payments paid to the date of purchase. This commission percentage would also be set by Council resolution. All amounts exclude GST.

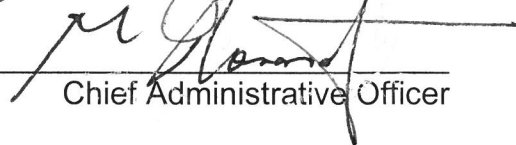
Remittance of the commissions on lease payments shall be paid in equal annual instalments. The first instalment payment is to be paid within 30 days of the date of the lease agreement being signed and all subsequent payments are to occur on the anniversary date of the signing of the lease agreement.

The payment of commissions related to the net purchase price is to be paid at the time of full payment is received from the purchaser/lessee.

Adopted by Council

Date: November 18, 2002

  
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Mayor of Drumheller

  
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Chief Administrative Officer