



## HOMEOWNERS' GUIDE TO ASSUMPTION AND LOT GRADING DEPOSITS

The Subdivision Agreement between the Developer and the City of Vaughan requires that the construction of municipal services including but not limited to the asphalt surface course, street lighting, trees, etc. be completed and certified as per the approved plans by the Consulting Engineers and Landscape Architect so that the City can grant "**Completion Approval**" to the Developer for the start of maintenance on their project. The assumption of the Developer's project is a two-stage process. The Developer or an agent acting on his behalf, such as his Consulting Engineer, initiates the "**Completion Approval Notice**" and "**Assumption Notice**" process. The City responds to these written requests as they are received by the Development Engineering Department.

Following the issuance of "**Completion Approval**", generally a thirteen-month period is allowed to expire during which the performance of the services is monitored. At the completion of this thirteen-month period the City is in a position to assume the works. Clearance will be required from various City Departments at "**Completion Approval Notice**" and at "**Assumption Notice**". Once all Departmental clearances are received, an Assumption By-law will be processed through Council.

**The timing for the corrections of deficiencies and obtaining Departmental clearances is generally the responsibility of the Developer and not the City.**

The "lot grading" or "landscaping" deposit is generally a condition of the Purchase and Sale Agreement between the Purchaser and the Builder. **The City is not a party to this Purchase and Sale Agreement nor does it require such conditions be placed on Purchasers as part of the Subdivision Agreement.**

Current Subdivision Agreements require the following warning clause be included in your Purchase and Sale Agreement between the Builder and the Purchaser:

- "Purchasers and/or tenants are advised that proper grading of all lots in conformity with the Subdivision Grading Plans is a requirement of this subdivision agreement. The City has taken a Letter of Credit from the Owner for the security to ensure all municipal services including, but not limited to lot grading, are constructed to the satisfaction of the City. **Direct cash deposit from the Purchasers to the City and/or Owner, for lot grading purposes, is not a requirement of this subdivision agreement.**"

Accordingly, the City cannot return your lot grading deposit nor can it require the Builder to return the deposit. Please review your Purchase and Sales Agreement for details of the conditions that must be satisfied prior to the return of the deposit.