

PURCHASE AND SALE AGREEMENT

1. In this Purchase and Sale Agreement,

(a) "Acceptance Deadline" means _____.

(b) "Address for Service"

(i) in the case of the Vendor means:

ATTENTION:

(ii) in the case of the Purchaser means:

ATTENTION:

(c) "Agreed Allocation" means:

(i) \$_____ as to buildings

(ii) \$_____ as to land

(d) "Closing Date" means _____ or such other date as the parties may agree in writing.

(e) "Deposit" means \$_____ in lawful money of _____ upon acceptance of Offer and an additional \$_____ upon waiver of Purchaser's conditions precedent.

(f) "Deposit Holder" means _____.

(g) "Facsimile Number"

(i) in the case of the Vendor is: _____

(ii) in the case of the Purchaser is: _____

(h) "Permitted Encumbrances" means the encumbrances listed in Schedule "C".

(i) "Property" means the property described on Schedule "B" hereto, together with all fixtures and buildings located thereon and together with the Specific Chattels.

(j) "Purchase Price" means \$_____ in lawful money of _____.

(k) "Purchaser" means _____.

(l) "Specific Chattels" means the chattels described in Schedule "D".

(m) "Vendor" means _____.

2. The Purchaser hereby offers to purchase the Property from the Vendor, on the Closing Date, free and clear of all liens and encumbrances, save and except for the Permitted Encumbrances on the terms and conditions set forth in Schedule "A".

DATED this _____ day of _____, _____.

PURCHASER

ACCEPTANCE

_____ hereby accepts the foregoing offer.

DATED at _____ o'clock ____m. on the _____ day of _____, _____.

VENDOR

NOTES TO OFFER TO PURCHASE

Adjustment Date

The adjustment date is used to calculate what portion of any prepaid bills (such as property taxes, local improvements, utilities, furnace and water heater leases, etc.) the purchaser owes the vendor. If the possession date is halfway into the year, the purchaser will owe the vendor 1/2 of any bills that the vendor has prepaid for the whole year. Typically, the closing date, adjustment date and possession date will be the same date.

Expenses

The following costs are usually paid by the purchaser, but a highly motivated vendor might be persuaded to help out in order to close the deal:

- appraisal fee (if the lender requires a new appraisal)
- home inspection costs
- survey / real property report
- insurance fee (for high ratio mortgages where the loan exceeds 75% of sale price)
- mortgage loan insurance fee
- home insurance
- land transfer tax (applied by some provinces – usually a percentage of the purchase price)
- interest adjustment
- prepaid tax and utility adjustments
- legal fees and disbursements
- sales tax (if applicable)
- estoppel certificate fees (if the property is a condominium)
- moving expenses
- hook-up charges for utilities and services

Fixtures and Chattels

What's the difference between a fixture and a chattel? If it's attached to the property, it's a fixture and will be included in the purchase price unless specifically excluded in the Offer. Anything not firmly attached to the building is a chattel and would not stay with the property unless it's specifically included.

You should list the model and serial numbers of all major appliances and other items being included in the purchase price.

GST and Other Taxes

Does GST apply to the sale? GST applies to new housing or to resale homes which have been very substantially renovated. National and provincial sales taxes may also apply to any services you purchase in putting the deal together, such as appraisal or realtor fees.

Negotiating a Deal

It's normal for an offer to go back and forth several times between purchaser and vendor before both sides agree to the price and the terms. This should always be done in writing.

The original offer, signed and witnessed by the purchaser, is presented to the vendor. The vendor then makes any changes by crossing out the item in question, replacing it with an alternative and initialing each amendment. Then the document goes back to the purchaser. Once all changes have been initialed and accepted by both parties, you have a deal (pending meeting the various conditions).

Conditional Offers

Conditions are usually inserted (and waivable) at the purchaser's discretion and for the purchaser's benefit. Each condition must set specific objectives which the purchaser must attempt to meet in good faith, and must include a deadline for completion. Typical conditions are: receipt of a satisfactory home inspection; the purchaser being able to arrange suitable mortgage financing; the purchaser being able to sell his/her own property; receipt of a satisfactory estoppel certificate (for a condominium).

Warranties

It is common for a vendor to give warranties about the property, such as warranting that all the appliances included in the purchase price will be in good working order on the closing date, or warranting that the heating, plumbing and electrical systems meeting current regulatory standards and will be in good working order at closing.

SCHEDULE "A"

TERMS AND CONDITIONS OF SALE

1. PURCHASE PRICE

1.1. The Purchase Price shall be payable as follows:

1.1.1. The Deposit by way of a cheque in the sum of _____ THOUSAND DOLLARS (\$_____) delivered with this offer payable to the Deposit Holder to be held in trust on the conditions set forth in clause 1.2 and the additional deposit by way of a cheque in the sum of _____ THOUSAND DOLLARS (\$_____) delivered to the Deposit Holder upon removal of the Purchaser's Conditions Precedent to be held in trust on the conditions set forth in clause 1.2.

1.1.2. The balance subject to adjustments in accordance with this offer, plus all Goods and Services Taxes, if any, payable in respect of this transaction, shall be paid on the Closing Date by certified cheque, delivered and payable to the Vendor's solicitors to be held in trust upon reasonable trust conditions or undertakings, pending the confirmation of registration of the transfer at the Land Titles Office, and issuance of title in the name of the Purchaser subject only to the Permitted Encumbrances.

1.2. The Deposit shall be held by the Deposit Holder in trust on the following conditions:

1.2.1. If the Purchaser's offer is revoked by notice in writing by the Purchaser to the Vendor received prior to acceptance or if the offer is not accepted by the Vendor in the manner and within the time provided in clause 9.1 hereof, the Deposit shall be returned to the Purchaser.

1.2.2. If the conditions precedent in Article 3 hereof are not satisfied or waived within the time therein provided, the Deposit shall be returned to the Purchaser without deduction.

1.2.3. If the Deposit is not returnable to the Purchaser under clauses 1.2.2 or 1.2.3, the Deposit shall be applied to the Purchase Price, but:

THIS IS A 12-PAGE DOCUMENT INCLUDING SCHEDULES.