

# Standard Terms & Conditions

The following is a list of standard terms and conditions used in most Agreements of Purchase and Sale.

## 1. Amount of Deposit:

At the time a written offer on a property is initialized, you will be required to make a deposit in the form of a personal cheque, certified cheque or cash (in the sum of \$1,000 to \$10,000 depending on price point). The amount deposited will be kept in the trust account of the listing real estate company and will not be turned over to the Seller. This money represents your good faith to purchase and is fully refundable if the offer is not accepted or if some other condition of the contract is not met. We will recommend a lawyer in the area who will review this document, obtain the required searches/documents, plus also guide you through the closing process. (New home construction generally requires a larger deposit).

## 2. Survey:

For closing purposes, your lawyer will need a copy of the survey. A survey is a sketch of the property which shows the exact location of all buildings on the lot. Surveys should show all structural improvements, including garages, etc. We normally ask for the survey in a standard clause that reads as follows: **"the Seller shall provide the Buyer with a survey of the property, currently in his/her possession, upon acceptance of this offer."** If a survey is not available, the cost of a survey is approximately \$1,000.

## 3. Building Inspection Condition:

It's easy to make sure the home, including new home construction, you've chosen is a smart buy. By having a building inspection, the home's vital systems are checked, including the furnace, water heater, appliances, roof, windows, wiring and plumbing. A building inspection allows you to purchase your home with confidence. Your Buyer Sales Representative will help you set one up after you have chosen the home of your dreams. (Request a list of our Recommended Professionals). The following is a sample of a Building Inspection Condition: **"This Offer is conditional upon the inspection of the subject property by a qualified home inspector and obtaining a report satisfactory to the Buyer at his own expense within SEVEN (7) days after acceptance of this Offer. In the event that such inspection reveals deficiencies in the subject property which the Buyer is unwilling to accept or which the Seller is unable or unwilling to remedy, this Offer may be cancelled at the Buyer's option and the deposit shall be returned to the Buyer in full without interest or penalty. In the event of an unsatisfactory report, the Buyer agrees to provide, within 48 hours, a copy of the inspection report, if requested, to the Seller. The Seller agrees to co-operate in providing access to the structure for the purpose of this inspection. This condition is included for the sole benefit of the Buyer and may be waived at his option by notice in writing to the Seller or his agent within the time period stated herein."**

#### 4. Financing/Mortgage Condition

Even if you have been pre-approved for a mortgage, it is still often wise to add a Mortgage condition to your Agreement of Purchase and Sale. Your financing institution will do a separate appraisal on the property to ensure the value of the property. A standard financing condition is as follows: ***"This Offer is Conditional upon the Buyer being able to arrange a First Mortgage within SEVEN (7) days after acceptance of this Offer, otherwise this Offer shall become null and void. In the event that the above mortgage is unable to be arranged as aforesaid, the Buyer shall deliver notice in writing to the Seller, or the Seller's Agent, declaring that the Buyer was unable to arrange the mortgage and the Seller's Agent shall, without further direction, repay the deposit money to the Buyer. The Buyer reserves the right to waive this condition at his sole option within the aforementioned time period."***

#### 5. Status Certificate ( applies to Condominium Properties only)

A Status Certificate package is a set of various corporate and financial documents providing information on how the condominium operates and its financial status. A Status Certificate, Rules and Regulations, budget, financial statements, by-laws, declaration and sometimes a reserve fund study will be included in the package. The Status Certificate sets out information such as the monthly condo fees, the amount in the reserve fund and information on any pending increases or special assessments. The rules and regulations set out the do's and don'ts, e.g. whether or not you can have a satellite dish. The budget forecasts the financial position, the previous year's actual costs and the current and/or future anticipated costs and revenue. The financial statements show expenditures and income for the current and preceding fiscal years and whether a profit or loss has occurred or is expected. The declaration and by-laws detail areas of exclusive use reserved for your unit, the common elements, the services included in the condo fees and such governing matters as annual meetings and election of officers. Your lawyer or your agent will request the package on your behalf. The management company is entitled to take 10 days to prepare the package and charges a \$130 fee for providing it. You should review the package with your lawyer within the time limit set out in your agreement of purchase and sale. Following is a sample of the Status Certificate Package condition. ***"This Offer is conditional upon the Buyer obtaining, at their own expense, an up to date Condominium Status Certificate Package in accordance with the regulation of the Condominium Act within FOURTEEN (14) days after acceptance of this Offer. The Buyer or his representative shall have THREE (3) days from receipt of the Condominium Status Certificate Package to examine and be satisfied with the content of the said package, failing which this Offer shall become null and void and the deposit returned to the Buyer in full without interest or penalty. This condition may be waived by the Buyer in writing at any time within the above time limit. The parties agree that the Seller shall be responsible for any special assessment identified or levied by the Condominium Corporation on or before closing, whether or not the payments become due after closing. It is understood and agreed that any reference in this Agreement to the term Estoppel Certificate has the same meaning as the term Status Certificate."***