



Agreement For Sale – When You Are The Buyer

The Buyer and Seller versions of the agreement for sale are quite different. Make sure if you are buying, use the Buyer version. If you are selling use the Seller version.

MADE THIS _____ day of _____, 20_____.

BETWEEN:

(hereinafter called the "Seller");

of the First Part

- and -

(hereinafter called the "Buyer");

of the Second Part

The Seller has agreed to sell to the Buyer (collectively, 'the parties') and the Buyer has agreed to purchase from the Seller, subject to the permitted encumbrances, the Encumbered Premises, at the times and in the manner set forth below, and subject to the stipulations and conditions contained in the Real Estate Purchase Contract between the parties, attached as Schedule "B", which stipulations and conditions are not superceded by this Agreement, and are, subject to any amendments expressed hereunder, incorporated hereinto by reference and form a part of this Agreement for Sale (hereinafter the "Agreement" or "Agreement for Sale");

NOW THEREFORE, in consideration of the premises and the sums to be paid and the covenants to be observed as set out in the Agreement, the Parties agree as follows:

1. Definitions and Interpretation

- A. This Agreement for Sale shall operate until all Indebtedness is paid in full to the Seller and all obligations whose performance is secured by this Agreement for Sale are performed, in the manner provided in this Agreement for Sale.
- B. Unless there is something in the subject matter or context inconsistent therewith, in this Agreement the following expressions shall have the following meanings:



"Agreement for Sale" (sometimes referred to as 'the Agreement') means the covenants, agreements and provisions contained in this Agreement for Sale, and where the context permits includes any and all renewals, extensions and amendments thereto made in writing from time to time.

"Business Day" means a day of the week other than Saturday, Sunday or any other day which is a statutory or municipal holiday in the municipality where the premises are situate.

"Condominium Act" means the Condominium Property Act, R.S.A. 1980, c.C-22, as amended and/or restated from time to time.

"Encumbered Premises" (sometimes referred to as 'the premises') means the land municipally and/or legally described in paragraph 2, together with all buildings, structures and improvements built upon or made to the land from time to time, all fixtures described herein and all other appurtenances thereto.

"Indebtedness" means the aggregate of:

- i. the Principal Amount, (sometimes referred to as the balance owing), and
- ii. all interest thereon and compound interest as provided in this Agreement, and
- iii. any amount, cost, charge, expense and interest that has been added to the Indebtedness under the terms of this Agreement, and
- iv. any other amount, cost, charge, expense and interest otherwise due and payable to the Seller hereunder or secured by this Agreement.

"Interest Adjustment Date" is calculated as one month before the first payment date.

"Interest Rate" means the rate of interest described in paragraph 2.1 hereof.

"Land Act" means the Land Titles Act, R.S.A. 1980, c.L-8, as amended and/or restated from time to time.

"Lien Act" means the Builders Lien Act, R.S.A. 1980, c.B-12, as amended and/or restated from time to time.

"Maturity Date" means the day of set out in paragraph 2.1.



"Municipal Act" means the Municipal Government Act, (Alta. 1994) c.M-26.1, as amended and/or restated from time to time.

"Permitted Encumbrances" means those financial and non-financial encumbrances and registrations of any sort whatsoever as further set out in Schedule "A" or in that copy of title attached as Schedule "A". Buyer may not assume any financial encumbrance unless written permission is granted by the lender.

"Person" includes an individual, partnership, joint venture, trust, unincorporated organization or any other association, corporation and government or any department or agency thereof.

"Principal Amount" sometimes referred to as 'the balance owing', means the amount of the Unpaid Seller's Equity.

"Taxes" means all taxes, rates, assessments, levies, local improvement charges, school taxes, liens and penalties, municipal, local, parliamentary or otherwise that now are or may hereafter be imposed, charged or levied upon or with respect to the Encumbered Premises or any part thereof, and all taxes or charges levied in lieu thereof, and includes (without limitation) all municipal utilities and services rates and charges and other charges that may be added to the tax roll for or otherwise howsoever made a charge upon the Encumbered Premises under the Municipal Act.

"Term" means the term of this Agreement, being the period of time commencing on the Interest Adjustment Date and ending on the Maturity Date.

"Transfer" means any sale, transfer, assignment, conveyance or other disposition of the Encumbered Premises, in whole or in part, or of any interest therein.

"Transferee" means any buyer, transferee or assignee.

- C. In the event that the Encumbered Premises are or become registered under the Condominium Act, or are proposed to be registered under the Condominium Act, it is agreed that the following definitions and provisions shall apply to this Agreement:

"Bylaws" means the bylaws from time to time in force for the Condominium.



"Condominium Corporation" means the corporation created by the registration of the Condominium Plan.

"Common Expenses" means the expenses of the performance of the objects and duties of the Condominium Corporation and any expenses specified as common expenses in the Bylaws, including without limitation reserve fund levies.

"Condominium Plan" means the condominium plan registered under the Condominium Act by which the Encumbered Premises became condominium units and associated common property interests.

"Insurance Trustee" means the insurance trustee (if any) appointed pursuant to the Bylaws.

2. For ease of completion, this agreement is designed to have as many variables as possible in one place. ↓

2. The Variables of this Agreement Are:

- a) Legal Description: _____
- b) Municipal Description: _____
- c) Completion Date: _____
- d) Deposit Already Paid: \$ _____
- e) The Balance Owing, (sometimes referred to as the principal amount)
\$ _____
- f) Balance of Cash on Closing: \$ _____
- g) Total Purchase Price: \$ _____

2.1 The Details of the Balance Owing Are:

- a) Amount: \$ _____
- b) Interest Rate: _____
- c) Interest Adjustment Date: _____
- d) Payment Amount: \$ _____
- e) First Payment Date: _____
- f) Frequency of Payments: _____
- g) Maturity Date: _____



2.2 The Parties' Addresses

a) The Seller's address is:

In a low equity or no equity situation Buyer wants Seller to change Seller's address with his lender, his insurance company, and municipality to Buyer's address. With little or no equity Seller may not be motivated to send paperwork to Buyer. Buyer wants to ensure he is getting the relevant paperwork.

The Seller will, if requested to do so by the Buyer, change the Seller's address with any encumbrancee, insurance company, taxing authority or other person or entity in any way connected to the premises.

b) The Buyer's address is:

3. Encumbrance and Charge

This wording is very similar to a mortgage

And for the better securing to the Seller the repayment in manner herein set out of the Principal Amount and interest (and all other obligations of the Buyer hereby secured) the Buyer hereby encumbers to the Seller all the Buyer's estate and interest in the Encumbered Premises.

4. Interest

The Principal Amount shall bear interest at the Interest Rate both before and after default, demand, maturity and judgment until paid.

5. Covenant for Payment of Principal and Interest & Prepayment (If Any)

Interest is calculated on the classic, semi-annual not-in-advance basis, just like a mortgage. This is just a starting point. Interest can be calculated anyway that the parties agree and this clause is modified accordingly.

The Buyer will pay to the Seller at the address noted herein or at such other place in Canada as the Seller may from time to time designate in writing in lawful money of Canada the Principal Amount with interest thereon, or on so much thereof as shall from time to time remain unpaid, at the rate (herein called the "Interest Rate") as set out above, calculated and compounded semi-annually, not in advance, both before and after default, demand, maturity and judgment, until paid, and computed from the date of the first advance of the principal as follows:



a) The Principal Amount with interest thereon, or on so much thereof as shall from time to time remain unpaid, at the Interest Rate calculated and compounded semi-annually from the Interest Adjustment Date, shall become due and be paid by equal consecutive monthly instalments as set out in paragraph 2.1(d) above from and including the date set out in paragraph 2.1(e) above, and on the monthly anniversary of the first payment date, each and every month in each and every year to and including the Maturity Date.

Here are two versions of payout provisions. Pick one and delete the other. The applicable clause will be dictated by your financing schedule or by negotiation between the parties if the financing schedule has not been completed

b) Provided the buyer is not in default under the terms of this Agreement, the buyer shall have the right to pay out the Agreement any time without notice, bonus or penalty.

OR

b) Provided the Buyer is not in default under the terms of this Agreement, the Buyer shall have the right to prepay the whole of the Indebtedness at any time upon payment of the Seller's permitted financial charge payout costs.

6. Compound Interest

All interest on becoming overdue, and any amount, cost, charge or expense that has been added to the Indebtedness under the terms of this Agreement, shall be treated (as to payment of interest thereon as aforesaid) as principal and shall bear compound interest at the Interest Rate, both before and after default, demand, maturity and judgment until paid, to be calculated and compounded semi-annually not in advance with rests half-yearly commencing six months from the Interest Adjustment Date and on the first day of every sixth month thereafter in each and every year until paid, and all such interest and compound interest shall be added to the Indebtedness and secured by this Agreement. If any of the monies hereby secured are not paid when due, the Buyer will, so long as any part thereof remains unpaid, pay interest thereon from day to day.

7. Application of Instalments

The payment amount set out in paragraph 2.1(d) hereof are to be applied firstly to the interest component of the Indebtedness and the balance of the said payment amount shall be applied to the principal component of the Indebtedness; except, however, in the case of default by the Buyer the Seller may then apply any payments received during the period of default to any part of the Indebtedness in whatever order it may elect notwithstanding any contrary stipulation by the Buyer.

8. Covenant to Pay & Right of First Refusal

The Buyer covenants with the Seller that the Buyer will pay the Indebtedness to the Seller as and when provided herein without any deductions, set-off, abatement or counterclaim. If more than one Person signs this Agreement as Buyer, such Persons are jointly and severally liable to pay, perform and observe all of the Buyer's obligations herein. Seller covenants with buyer that if seller ever



proposes to sell to a third party, all or part of his unpaid seller's equity, the seller will first offer to the buyer on exactly the same terms and the buyer shall have 60 days from the date of notice to purchase the offered unpaid seller's equity.

9. Taxes

The Buyer covenants with the Seller to pay the Taxes promptly as they fall due and before the date on which any penalty becomes chargeable thereon, and will forthwith provide the Seller with evidence satisfactory to the Seller of payment thereof. The Seller agrees to send the buyer all tax bills or other notices or communications related to taxes as soon as the Seller receives them.

10. Insurance

You have an insurable interest in the property. The Seller also has an insurable interest. Speak to a knowledgeable insurance agent about how to protect your interest. You could try Chris Westrop at Park Insurance or Hub Insurance.

The Buyer is responsible for all insurance costs and will, during the currency of this Agreement, keep insured or pay the Seller's costs of keeping insured against loss or damage by fire, each and every building or structure now or hereafter erected upon the Lands, in the sum of the full insurable value thereof and the Buyer will not do or suffer anything to be done whereby the said policy or policies may be vitiated and will pay all premiums and sums of money necessary for such purpose when due, and because the Seller will insure the said buildings or structures in the manner aforesaid, all sums so expended by the Seller, shall be deemed to be secured hereby and charged upon the Lands and shall, without demand therefor, together with interest at the rate aforesaid calculated from the time or times of advancing the same, be repaid by the Buyer to the Seller. In the case of condominium properties this obligation to insure shall include fire and such other peril coverage as the Seller may require and also third party liability coverage, all such coverage to extend to both the unit(s) and the common property, in such amounts and in such form as the Seller may from time to time require. Evidence of the renewal of such insurance shall be produced to the Seller at least Ten (10) days before the insurance then existing or any portion thereof shall expire, otherwise the Seller may insure as provided elsewhere in this Agreement.

The Seller is required by the terms of any permitted encumbrance to maintain a policy of insurance, and the Seller covenants with the Buyer to, at the Buyer's expense, maintain such policy in good standing and add the Buyer as a named insured. If the Seller fails to maintain such policy of insurance, the buyer may, but is not obligated to, maintain such policy. Buyer has the right to require the Seller to change insurers to the Buyer's insurer choice as long as current lender continues to be shown as first loss payable and the Seller is a named insured party with the Buyer as a named insured party and shown as the contact person on the insurer's records.

Reimbursing of Seller's Cost of Insurance: It is agreed that seven (7) days prior to the date the same are due to be paid to the insurer (or agent thereof) of the building on the Lands or within



seven (7) days of the Seller providing to the buyer a true copy of the insurer's (or agent's) billing statement setting forth the insurance premiums paid or payable on the part of the Seller, whichever is the later, the buyer shall pay or reimburse to the Seller as agreed between the parties either the whole of the premiums amount for the insured period or 1/12th of the yearly premium with each month's payment. The Seller's cost of insurance for any partial period shall be adjusted as between the parties as at that date.

If the Seller is an owner occupier and is moving out, he must change his insurance to a rental policy. He should add you as a named insured. Again, make sure you get solid advice on how your interest is thoroughly protected. You may need your own policy.

On closing, Seller will instruct his insurer (or agent) to amend any existing policy from an owner-occupier policy to a rental policy.

All sums received by virtue of any insurance policy or policies may, at the option of the Buyer, either be forthwith applied in or towards substantially rebuilding, reinstating and repairing the said buildings or structures, or applied in or toward payment of the last installment of principal falling due under this Agreement, and in case of a surplus in or toward payment of the installment next preceding in point of time of payment, and so on until the whole of the principal hereunder shall be paid, and in case of a surplus, then in payment, either totally or partially as the case might be, of the interest and other charges owing under this Agreement.

11. Waste, Maintenance, Repair and Inspection

The Buyer covenants and agrees with the Seller that the Buyer will not permit waste to be committed or suffered on the Encumbered Premises and the Buyer will not remove or attempt to remove from the Encumbered Premises any building, structure or improvement forming part of the Encumbered Premises and the Buyer shall refrain from doing anything or allowing anything to be done which would result in an impairment or diminution of the value of the Encumbered Premises. The Buyer will maintain such buildings, structures, or other improvement in good order and repair.

If the Buyer shall neglect to keep the Encumbered Premises in good condition and repair, or shall commit or permit any act of waste on the Encumbered Premises (as to which the Seller shall be the sole judge) or shall attempt to remove any building, structure or improvement forming part of the Encumbered Premises, all monies hereby secured shall, at the option of the Seller, forthwith become due and payable, and in default of payment of same and interest, as in the case of payment before maturity, the powers of entering upon and leasing or selling hereby given to the Seller and all other remedies herein contained may be exercised forthwith.

12. Alterations

The Buyer covenants and agrees with the Seller that the Buyer will make or permit to be made any major alterations in or additions to the Encumbered Premises only after issuance of any required permits and in accordance with the Alberta Building Code and municipal regulations.

13. Payments by Buyer and Seller

The Seller may pay any or all premiums of insurance and any or all Taxes, condominium fees or levies, rates, liens, utility and heating charges which shall from time to time fall due and be unpaid in respect of the Encumbered premises, and such payments, together with all costs, charges, legal fees and disbursements, all appraisal costs and expenses, survey costs and expenses, costs of environmental reports and all other expenses whatsoever, which may be incurred in taking, recovering and keeping possession of the Encumbered Premises, and in negotiating this Agreement for Sale, investigating title and preparing and registering the Agreement and other documents related thereto and in payment of any other Indebtedness due under any other Agreement, encumbrance, lien or other charge ranking in priority or subsequent to this Agreement, and generally in any other proceedings taken in connection with or to realize or protect this security (and real estate commissions and other costs incurred in leasing or selling the Encumbered Premises or in exercising the power of entering, lease and sale herein contained) shall be, with interest at the Interest Rate, a charge upon the Encumbered Premises in favour of the Seller and secured by this Agreement. All amounts paid by the Seller as aforesaid shall be added to the Indebtedness hereby secured and shall be payable forthwith with interest at the Interest Rate and in default of such payment the full Indebtedness under this Agreement including all such amounts, shall immediately become due and payable at the option of the Seller, and all remedies, rights and powers conferred in this Agreement shall be exercisable.

In the event that there is a mortgage(s) or financial encumbrance(s) (the 'mortgage(s)') registered against the encumbered premises, which mortgage(s) will not be discharged by the Seller on execution of this agreement, then, the Seller promises that he will pay to the mortgagee(s) all payments due under any mortgage when the same falls due. If the Seller does not make all required payments when due, or if there are arrears, ('the payments'), the Buyer may pay all payments otherwise due under the agreement directly to the mortgagee(s), instead of to the Seller, or if there is a default by the Seller the extent that a mortgagee(s) commences foreclosure proceedings, the Buyer may also pay any amounts outstanding on the mortgage(s) and in which case any payment made by the Buyer pursuant to this paragraph shall be deducted from amounts payable to the Seller by the Buyer under this agreement.

Buyer may, at his sole option, choose to take responsibility for and make any or all payments for any matter discussed in this paragraph 'Payments by Buyer and Seller'. Seller will assist and cooperate with Buyer in setting up or amending payment procedures to facilitate buyer making any or all payments

↑ This clause will assist you in getting the Seller's cooperation regarding payments. Especially important where the Seller has no equity or low equity.

In the event of any Seller default with any encumbrances that results in a court-directed sale or foreclosure, the parties agree that any proceeds after encumbrances have been paid out will be paid firstly to the Buyer to the extent of deposits and cash already paid to the Seller (not including monthly or other regularly scheduled payments) with the remaining proceeds paid to the Seller only



to the total of the Balance Owing less any amounts paid to encumbrancees. Any remaining proceeds will be paid to the Buyer.

14. No Merger on Judgment

It is hereby agreed that the taking of a judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Seller's right to interest at the rate and times herein provided; and further that said judgment shall provide that interest thereon shall be computed at the Interest Rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.

15. Default & Remedies

Mortgages and agreements for sale always have this kind of a clause. However, the facts are that if the Buyer defaults, the Seller must go through what amounts to a foreclosure process in order to get possession of the property.

- A. The Buyer covenants and agrees with the Seller that upon default by the Buyer in the payment of the Indebtedness or in the performance or observance of any covenant, proviso or condition contained in this Agreement, the Seller may at its sole option and at such time or times as it may deem necessary and without the concurrence of any Person, bring an action in the nature of a foreclosure to enforce this agreement.
- B. The Seller may send or employ an inspector or agent to inspect and report upon the value, state and condition of the Encumbered Premises and a solicitor to examine and report upon the title to the same;
- C. The Seller may, with or without entry into possession of the Encumbered Premises or any part thereof, and whether before or after such entry into possession, appoint a receiver or manager, or receiver and manager (herein called the "Receiver") of the Encumbered Premises or any part thereof and of the rents and profits thereof or of only the rents and profits thereof, and with or without security, and may from time to time by similar writing remove any Receiver with or without appointing another in his stead and, in making any such appointment or removal, the Seller shall be deemed to be acting as the agent or attorney for the Buyer. Upon the appointment of any Receiver or Receivers from time to time, the following provisions shall apply:
 - i. a statutory declaration of an officer of the Seller as to default under this Agreement shall be conclusive evidence thereof for the purposes of the appointment of a Receiver;
 - ii. every Receiver shall be the agent or attorney of the Buyer (whose appointment as such shall be revocable only by the Seller) for the collection of all rents and profits falling due and becoming payable in respect of the Encumbered Premises or any part thereof whether in respect of any tenancies created in priority to this Agreement or subsequent thereto, or otherwise;
 - iii. every Receiver may, in the discretion of the Seller, be vested with all or any of the powers and discretions of the Seller;



- iv. the rights and powers conferred herein in respect of the Receiver are supplemental to and not in substitution of any other rights and powers which the Seller may have;
- v. the Seller may from time to time fix the remuneration for every Receiver, who shall be entitled to deduct the same out of revenue or sale proceeds of the Encumbered Premises;
- vi. every Receiver shall so far as concerns responsibility for its acts or omissions, be deemed the agent or attorney of the Buyer and in no event the agent of the Seller;
- vii. Every Receiver shall have full power to manage, operate, amend, repair or alter the Encumbered Premises and the buildings and improvements thereon or any part thereof in the name of the Buyer for the purpose of obtaining rental and other income from the Encumbered Premises or any part thereof.

D. The Seller may, at the Seller's option, proceed by action, suit or other proceeding, in any Court of competent jurisdiction, obtain a judgment, decree or order for specific performance, rescission, cancellation, or determination of this Agreement, or for any other relief the Court has power to grant for the said default, including an allowance for use and occupation by the Buyer which shall be at least equal to all monies paid under this Agreement;

None of the foregoing rights and remedies shall be exclusive of or dependent on any other such right or remedy and any one or more of such rights and remedies may from time to time be exercised independently or in combination.

16. Transfer and Discharge

On the Buyer paying the Purchase Price with interest as aforesaid in the manner aforesaid and all other sums that may be payable under this Agreement, the Seller will convey and assure and cause an estate in fee simple to the Lands to be conveyed and assured to the Buyer by a Transfer or Transfers under the Land Titles Act, subject to the conditions, reservations and exceptions contained in the original grant from the Crown and in the existing Certificate of the Title to the Lands and to the encumbrances as set out in the copy of title attached as Schedule "A" and to such other instruments or encumbrances as may be made, caused or suffered by or through the Buyer.

The Seller will discharge any financial encumbrances as set out in Schedule "A" that are not the Buyer's or the responsibility of the Buyer or being assumed by the Buyer, but, only on receipt of the full balance of the Indebtedness. The Transfer or Transfers shall be prepared by the Seller's solicitors at the expense of the Seller. The Seller will provide the transfer on conditions wide enough for the Buyer to place a new mortgage if that is the Buyer's requirement. The Buyer shall be responsible for and pay the cost of registration of such Transfer.

Whereas at the interest adjustment date if the balance owing minus the balance of Seller's mortgage(s) is less than \$50,000, the buyer has the right to call for the Seller to provide a fully executed transfer(s) of land at the same time the agreement is executed. Such transfer is to be held in trust by buyer's lawyer, and not used until buyer has paid the balance owing plus interest and any other sum that may be owing under this agreement.



↑ Allows you to get a transfer of land held in trust by your lawyer as the deal is closing. Again, this is aimed at a low equity or no equity situation where the Seller might not be around to sign a transfer when you need it sometime in the future

The parties recognize that for the Buyer to pay the balance of the purchase price on maturity, the Buyer will require new financing and that the Buyer's lender may require a new real estate purchase contract. Therefore, the parties agree that should same be required, they will cooperate to prepare and execute a real estate purchase contract wholly consistent with the money owed and paid pursuant to this Agreement For Sale.

17. Waiver

It is understood and agreed that a waiver in one or more instances of any of the terms, covenants, conditions or provisions hereof or of the obligations secured by this Agreement shall apply to the particular instance or instances and at the particular time or times only. No such waiver shall be deemed a continuing waiver, but all of the terms, covenants, conditions and other provisions of this Agreement and of the obligations secured thereby shall survive and continue to remain in full force and effect.

18. Assignment and Sale

Allows you once to assign your interest in the agreement for sale without Seller's consent.

No assignment of the Agreement shall be valid unless the same is for the entire interest of the Buyer, and shall not require approval by the Seller. The buyer's assignee shall not, in turn, assign the agreement in whole or in part. The Seller will convey the Lands to the assignee on the payment of the unpaid Principal and Interest.

The Buyer has the right to sell the Premises during the term(s) of the AFS subject to all Seller's AFS rights. If Buyer chooses to list the Premises with a Realtor, Seller will sign the listing agreement and cooperate in all aspects to finalize the sale and pay out sale proceeds pursuant to the AFS.

19. Extension Agreements and Renewals

It is understood and agreed that any agreement for the extension of the time for payment of the Indebtedness or any part thereof and any renewal of the term of this Agreement made at, before or after maturity, altering the term, Interest Rate (whether increased or decreased), the amount of the payments of principal, interest or other monies owing and secured by this Agreement or any other provision, covenant or condition hereof, whether made with the Buyer named herein or a subsequent owner of the Encumbered Premises (and whether or not consented to by the Buyer named herein or any assignee if made with a subsequent owner), need not be registered in any land registry office



but shall be effectual and binding upon the Buyer and upon every subsequent Seller, encumbrance or other person claiming an interest in the Encumbered Premises or any part thereof.

The Buyer shall, forthwith on request therefor by the Seller, provide or cause to be provided to the Seller, at the Buyer's expense, all such postponements and other assurances as the Seller may require to ensure or confirm the effect and priority of any such extension or renewal agreement.

If the Seller has a mortgage, (or mortgages), on the property then the Seller covenants with the Buyers, that if the Buyers are not in default, then, as the existing term of the mortgage matures, the Seller will, but only if the Lender offers a renewal of the mortgage to the Seller, provide the buyers a copy of the Lender's Renewal Offer. The Buyers shall then choose a renewal term, advise the Seller in writing and the Seller will forthwith renew the mortgage on the term chosen by the Buyers. The Seller covenants to extend the term of the Agreement for Sale for the same term as the Buyer has selected for the mortgage renewal. The Seller and Buyer will repeat this renewal and extension process no more than three times. The extended Agreement for Sale shall be in all respects the same as the original Agreement for Sale.

↑ Sellers may delete this clause as they want to be paid out when the term of the AFS matures. On the other hand, if they don't need their money and if they are getting better interest from you than they could in the bank, then they might leave the clause in.

20. Set-Off

↓ This is the clause that protects you if you are paying the Seller money and he isn't making his required payments especially to his mortgage company. Note the permission in the clause for you to contact payees plus we have an authorization attached as Schedule D

In the event there is any existing financing which is the responsibility of the Seller to pay, and in the further event that the Seller is collecting from the Buyer monies from which the Seller would then pay such items as insurance, taxes, condominium fees and the like (collectively including financing "the items"), then the Seller hereby and pursuant to this document gives the Buyer permission to contact the payees of the said items and hereby directs the payees to provide the information to the Buyer on the status of the said individual accounts for the items.

The Buyer may, if the Seller is not paying same, pay the said items and set-off all payments against the Indebtedness.



21. Power of Attorney

The Buyer hereby irrevocably appoints the Seller as attorney for the buyer and further states that this Power of Attorney is specifically granted by the Buyer to enable the Seller to execute a discharge of any Buyer's Caveat in the event that the Buyer abandons the property or is in default and remains in default for 45 days after written notice of such default is given by the Seller to the Buyer.

The Seller hereby grants to and appoints the Buyer to act as the Seller's Attorney to execute any and all documents, including but not limited to, a listing contract, a Real Estate Purchase Contract and Transfer of Land, or to otherwise to sell, lease, insure, or to set up, change or maintain bank accounts and mortgage the lands and to execute all instruments, and do all acts, matters and things that may be necessary for carrying out the powers hereby given. The Seller shall sign an irrevocable full Power of Attorney, in registerable form, in favour of the buyer; said Power of Attorney may, at Buyer's discretion, be filed at any Alberta Land Registration Office.

↑ Sellers won't like this clause but it is very important in a low equity or no equity situation. If the seller has no motivation to stay around and take care of things, then you need to be able to step into the seller shoes. The power-of-attorney is what gives you official authority that lenders and insurance companies will pay attention to.

22. Method of Payment

THE BUYER will make payments by post-dated cheques at least twelve consecutive cheques at a time or execute a pre-authorized withdrawal form, payment method to be buyer's choice. There is a \$10.00 fee for each dishonoured cheque or payment.

23. Severability

In the event that any one or more of the provisions contained in this Agreement shall for any reason be held by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of the Seller, be severable from and shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained in this Agreement.

24. Notice

Any notices or delivery required herein will be deemed completed when hand delivered, delivered by agent, or delivered electronically to the parties at the following email addresses:

- i. Buyer: _____
- ii. Buyer: _____
- iii. Seller: _____
- iv. Seller: _____

or as the parties may later designate in writing. Notice or delivery for a corporate party shall be to its registered office in Alberta.



25. Successors and Assigns

Every reference in this Agreement to a party hereto shall extend to and include the heirs, executors, administrators, successors and assigns of such party. This Agreement shall enure to the benefit of and be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto.

26. Governing Law

This Agreement shall be interpreted and governed according to the Law of the Province of Alberta.

The Buyer, and the heirs, executors, administrators and assigns of the Buyer, hereby waive the provisions of Section 41 of the Law of Property Act, and all the amendments thereto and made subsequent and all substitutions for such provisions.

27. Acknowledgement

The Buyer acknowledges receipt of a true copy of this Agreement.

28. This Agreement may be executed in counterparts.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals as of the day and year set out above.

SIGNED, SEALED AND DELIVERED)

by the above named and in the presence of:)

Witness

Buyer

Witness

Seller