

FARM AGREEMENT OF PURCHASE AND SALE
\$

We, **("Purchaser")** having inspected the property, hereby agree to and with **("Vendor")** to purchase all and singular those premises more particularly described in the Schedule A, and located in the Township of _____, County of _____, containing X acres of land, together with those farming assets described below **("the Farm")** at the price or sum of \$ _____ **.00 Canadian("Purchase Price")**, payable as follows:

\$ _____ .00-xx/100 Dollars cash or certified cheque to the said Vendor on this date as a deposit to be held in trust pending completion or other termination of this Agreement, and to be credited on account of Purchase Price on closing and covenant, promise and agree as follows:

⊘ Note: where the closing date is more than three months in the future, it is customary to see additional deposits being made by certain predefined dates. In this case, the agreement usually provides that the deposits are to be placed into an interest-bearing savings account.

If this is the situation consider inserting the following:

Investment of Deposits:

All of the deposits advanced pursuant to this agreement shall be paid to and held by the vendor=s solicitors in trust, who upon being provided with the purchaser=s social insurance number will proceed to place the same into either an interest-bearing account(s) or guaranteed investment certificate(s); and this shall constitute their proper authority for doing so. All interest so earned on any such deposits shall belong to the purchaser who shall be responsible for all income tax payable in respect thereto. The deposit(s) together with all accrued interest shall be credited towards the purchase price on closing.

Payment of Balance

Pay the balance of the purchase price, subject to adjustments, in cash or by certified cheque, to the Vendor on completion of this transaction.

Allocation of the Purchase Price:

The purchase price herein shall be allocated among the farming assets purchased hereunder as follows:

1) Land:

Tiled- X acres	\$	
Untiled B X acres	\$	
Bush B X acres	\$	
Marginal B X acres	\$	_____
Total acres:	\$	

⚡ Note: identify any lands which are being rented out, and the terms thereof. Determine when the lessee is to remove any crops, and whether the lands have to be fall ploughed. If the land being rented is only used by another farmer for cattle grazing, find out when the animals are to be removed from same.

2) Buildings (including all fixtures)

Barn #1	\$	
Barn #2	\$	
Machine Shed/Domes		\$
Finishing Barn		\$
Loafing Barn	\$	_____
Total:	\$	_____

- 3. **Silo(s) and Unloaders** \$
- 4. **Principal House and 1 acre:** \$
- 5. **Goodwill:** \$
- 6. **Inventory:** *
Crops \$

Feed		\$
Haylage	\$	
Silage	\$	_____
Total:		

⌘ Note: all remaining crops, seeds, hay, silage, haylage, feed /vitamin supplements, straw and other crops be they planted, standing or already harvested by the vendor, and presently stored on site in the barns , silos , sheds or otherwise shall be included in the aforesaid said purchase price.

⌘ Pending completion of this transaction, the vendor will be entitled to use so much of the same to maintain the present herd size and milk production so long as the same is consistent with good farming practices.

7. Cattle:

The details of the herd being acquired is as follows:

Cows:	#	(dry or milking)
Heifers:	# *	
Calves:	# *	
Bulls:	#	
Total:	X	

⌘ Note: the particular number of heifers or calves cannot be accurately predicted given the closing date which is more than three months from the date of the execution of this agreement. As such, the number of heifers may be more or less than as specified above. The same applies to the calves. However, the vendor warrants that there will be at least X total animal units on closing of which # will be cows (either dry or milking).

⌘ Natural Herd Increases: it is agreed that any animals born after the acceptance of this agreement shall belong to the purchaser, without incurring any increase in the purchase price.

⌘ Note: bull calves sometimes receives special attention, and sometimes you see the following: "the vendor shall be entitled to sell any bull calves

born after the acceptance of this offer and prior to closing, in which case the vendor shall be entitled to all sale proceeds"

8. **Equipment/machinery:** \$ [Insert Allocated Values], and see Schedule B for a detailed list.
9. **Milk Quota:** \$ _____
for the production of X kilograms of daily quota, as represented by license number ???.

Operating Farm - An Ongoing Concern

The purchaser is acquiring the vendor's farm as an ongoing concern. As such, the vendor shall maintain all farming assets (which includes all buildings, farmlands, machinery/equipment, and animals) in proper order, which are consistent with previous practices, and accordance with good husbandry standards.

Animals B Exchanges/Sales

It is acknowledged that the vendor may exchange/sell those animals, which are considered reasonably necessary to maintain the herd, and its production to at least the same level as existed on the date of this agreement. Any animals, which are either exchanged or disposed of, shall be replaced with animals of a similar nature/ quality. In all circumstances, it is agreed that the total number of animals on closing will not be less than X.

Tiled Drained Land:

The Vendor warrants that there are ?? tiled acres of land being acquired, and agrees to provide the Purchaser with all tile drainage plans/maps which are in his possession. In the event that there is less than X tiled drained acres (as confirmed by a surveyor's certificate), the Parties agree to adjust the purchase price on the basis of \$1,500.00? /acre.

Conditions

This Offer is conditional upon the Purchasers:

- 1) At their expense, arranging satisfactory financing necessary to complete this agreement on terms and conditions acceptable to them.
- 2) The purchaser obtaining Canadian Landed Immigration Visas on or before (insert date) for himself and his spouse.
- 3) The purchaser being physically able to farm.

Unless the Purchaser gives notice in writing delivered to the Vendor that the preceding condition is/are fulfilled on or before 4:00 p.m. on the _____ 2001 this Offer shall be null and void and the deposit returned to the Purchasers without interest or deduction. This condition is included for the benefit of the Purchasers and may be waived at their option by notice in writing delivered to the Vendor within the time period.

Environmental Warranty

The Vendor represents and warrants to the best of his knowledge and belief that during the period of his ownership of the property, that: all environmental laws and regulations have been complied with; no hazardous conditions or substances exist on the land; there are no limitations or restrictions affecting the continued use of the property exist, other than those specifically provided for herein; there is no pending litigation respecting Environmental matters; no outstanding Ministry of Environment and Energy Orders, investigations, charges or prosecutions regarding Environmental matters exist; there has been no prior use as a waste disposal site; and all applicable licenses are in force. The Vendor agrees to provide to the Purchaser upon request with all documents, records, and reports relating to environmental matters that are in the possession of the Vendor. The Vendor further authorizes (insert appropriate ministry), to release to the Purchaser, his Agent or Solicitor, any and all information that may be on record in the Ministry office with respect to the said property.

The purchaser shall be entitled to have access to the real property at all reasonable times to conduct any tests, inspections and examinations of the real property to determine whether there is the existence of any contaminants within meaning of the Environmental Protection Act of Ontario. Immediately after any tests are performed the purchaser shall, and his sole cost, restore the premises to their former condition.

Should such tests reveal the presence of any contaminants which would cost more than \$10,000 to remove, the purchaser shall forthwith provide a copy of the tests results to the vendors; the purchaser shall then have the option to terminate this agreement, in which case this agreement shall be null and void and all deposits together with any accrued

interest shall be immediately returned to the purchaser; in which case neither party shall be liable to the other for any costs or damages.

The parties agree that these representations and warranties shall form an integral part of this Agreement and survive the completion of this transaction, but apply only to circumstances existing at the completion of this transaction.

GST

The Purchase Price does not include Goods and Services Tax (G.S.T.) and, if this transaction is subject to G.S.T., then applicable G.S.T. shall be in addition to the Purchase Price. All G.S.T. shall be collected and remitted as required by law. If this transaction is subject to G.S.T. but the Vendor is not required to collect or remit G.S.T., the Purchaser agrees to provide on or before closing to the Vendor or Vendor's Solicitor a written certificate in a form reasonably satisfactory to the Vendor or Vendor's Solicitor to the effect that the Vendor is not required to collect or remit the G.S.T. and shall provide the Vendor with the Purchaser's G.S.T. registration number, if applicable, failing which the applicable G.S.T. shall be paid to the Vendor on closing. If this transaction is not subject to G.S.T., the Vendor agrees to provide on or before closing to the Purchaser or Purchaser's Solicitor a written certificate in a form reasonably satisfactory to the Purchaser or Purchaser's Solicitor certifying that the transaction is not subject to G.S.T.

Or

- ☒ The Vendor warrants, which warranty shall survive the completion of this transaction, that he is a registrant pursuant to the provisions of the Excise Tax Act (Canada) and that the transaction contemplated herein constitutes a taxable supply of substantially all of the assets of the business for which Goods and Services Tax ("G.S.T.") will be exigible and agrees to execute a form of election pursuant to Section 167 of the Excise Tax Act electing to exempt the within transaction from the payment of G.S.T.

GST Tax Clearance Certificate

The vendor agrees to supply a Goods and Services Tax Clearance Certificate on closing.

No UFFI

The Vendor represents and warrants that during the period of their occupancy of the Property and, to the best of their knowledge, prior thereto, no building on the Property has been insulated with Urea Formaldehyde Foam Insulation. This warranty shall survive completion of this transaction.

Excluded Fixtures

All fixtures shall remain with the Property, except:

NONE

Included Chattels

All farm machinery and equipment presently located on the property and without limiting the generality of the foregoing this shall include all those chattels which are more particularly described in the attached schedule B.

Rental Items:

It is acknowledged that the following chattels are rented on a monthly basis, and are not being acquired from the vendor:

- propane tanks
- hot water tank
- furnace
- acetylene and oxygen tanks

Leased Items:

The Purchaser agrees to assume the following leases, and should the Lessor require a re-negotiation, the Purchaser agrees to proceed with same so long as the terms and conditions are not ore onerous than what was originally applicable to the Vendor. [Identify those items which have leases.]

Birth Certificates

The vendor's agree to provide the purchaser with their respective birth certificates, once all conditions have been removed so that proper Personal Property Security Act searches may be performed.

Irrevocable Date

This Offer shall be irrevocable by the Purchaser until 11:59 p.m. on _____, 2001 after which time, if not accepted, this Offer shall be null and void, and the deposit returned to the Purchaser without interest or deduction.

Good Title

PROVIDED the title to the real property and all other farming assets being acquired by the purchaser is good and free from all encumbrances, except as aforesaid, and except local rates and minor easements for hydro, gas, telephone or like services to the Property; said title to be examined by the Purchaser at his own expense, and the Purchaser not to call for the production of any title deed, abstract of title, survey, proof or evidence of title, other than those in Vendor's possession or under his or her control; and provided the same have been complied with, the Purchaser agrees to accept the Property subject to all Municipal requirements, including building and zoning by-laws, minor easements as above-mentioned, and to restrictions and covenants that run with the land.

The vendor agrees that, if requested, he will complete and deliver to the purchaser at or prior to closing a statutory declaration prepared by the purchaser as to the material facts relating to possession not disclosed by the registered title.

Search of Title

The Purchaser is to be allowed 45 days from the removal of all conditions to investigate the title at his own expense, and if within that time he furnishes the Vendor in writing with any valid objection to the title, or to any outstanding Municipal deficiency notices affecting the Property (subject however to the provisions below which specifically deal with outstanding work orders), or non-compliance with zoning by-laws, or that the present use of the property (namely a **dairy farm**) may not be lawfully continued, or that the buildings on the Property may not be insured against risk of fire, which the Vendor shall be unable or unwilling to remove or correct, and which the Purchaser will not waive, this Agreement shall, notwithstanding any intermediate acts or negotiations, be null and void and the deposit money returned to the Purchaser without interest or deduction, and the Vendor shall not be liable for any costs or damages. Save as to any valid objection so made within such time, the Purchaser shall be conclusively deemed to have accepted the title of the Vendor to the Property.

The Purchaser shall not call for the production of any title deed, abstract, survey or other evidence of title to the property except such as are in the possession or control of the Vendor.

The Vendor agrees that, if requested by the Purchaser, he will deliver any sketch or survey of the property in his possession or within his control to the Purchaser as soon as possible and prior to the last day allowed for examining title.

No Outstanding Work Orders

The Vendor hereby warns that there are no outstanding work orders affecting the property and further consents to the municipality releasing to the Purchaser details of all outstanding Municipal work orders or deficiency notices affecting the Property. The

vendor agrees to completely rectify any work order(s) issued by the Municipality prior to closing.

Legal Description to the Property

The vendors agree to provide at their expense a legal description for all parcels of land being sold to the purchasers in a form that is acceptable to the Land Registrar pursuant to the regulations under the *Registry Act* or *Land Titles Act*. Any property description for the farm property being acquired that has already been stamped, or is to be stamped by the said registrar which provides "the description of the land does not comply with the regulations under the Registry Act, and that a revised description may be required in subsequent instruments" is not acceptable. In such an event, the vendors agree that, they will be required to provide a reference plan of survey for the property in question, at no cost to the purchaser.

Closing Date

This Agreement shall be completed on _____, 200? on which date vacant possession of the Property is to be given to the Purchaser unless otherwise provided for herein.

Interim Possession

Once the financing condition has been waived, the Purchaser shall be entitled to work the land(eg. tilling, cultivating; spraying and fertilizing) and to plant/seed crops at his own expense. In the event that this transaction does not close, then the Purchaser will pay rent to the Vendor of \$ _____ per acre, and will be entitled to remove his crop at the end season, which shall be no later than November 30, 200?. (Identify whether the purchaser is also entitled to have access to the barns.)

Duty to Insure

Until completion of this sale, all buildings and equipment on the Property shall be and remain at the risk of the Vendor until closing, and the Vendor will hold all policies of insurance for the Property and all farming assets, and the proceeds thereof in trust for the parties hereto, as their interests may appear. In the event of damage to the said buildings, equipment or animals in an amount exceeding \$50,000.00 before the completion of this transaction, the Purchaser shall have the right to elect to take such proceeds and complete the purchase, or cancel this Agreement, whereupon the Purchaser shall be entitled to a return, without interest or deduction, of all moneys theretofore paid on account of this purchase.

Adjustments

With the exception of Drainage Charges which are specifically dealt with below, unearned fire insurance premiums, fuel, taxes, interest, rentals, all local improvements, water rates and other similar or usual expenses relating to the Farm and the assets being acquired herein shall be proportioned and allowed to the date of completion of sale.

Tile Drainage Loans

All tile drainage loans under the *Tile Drainage Act* shall be paid in full and discharged by the vendors on closing. At the option of the purchaser, the purchaser may accept title subject to these tile drainage loans, in which case the purchaser will receive a reduction in the purchase price equal to all amounts owing for principal and accrued interest under the said drainage loans to the date of closing.

Municipal Drains

All annual charges for municipal drains under the *Drainage Act* shall be apportioned to the date of closing. All arrears are to be brought into good standing.

Farm Lands Tax Rate:

The Vendor warrants that the farm lands being acquired on closing will qualify for the "farmlands property class" as set out in the *Assessment Act*, which provides for a reduced rate on such lands at 25% of the full rate, and that the Vendor has met all the registration and eligibility requirements set forth in section 8 of Regulation 282/98.

Milk Quota and Production of Milk to Closing

The vendor shall be responsible for the milk quota until closing. Any quota increases or decreases will accrue to the benefit of the purchaser without any corresponding increase or decrease in the purchase price, so long as the same has been as a result of DFO policy implementation.

Execution of Documentation Regarding Quota Transfer

The vendors will take all appropriate steps to transfer all the milk quota to the purchaser on closing, or as soon as practical thereafter, and the vendors will promptly execute all necessary documents in relation thereto.

Payments for Milk Received after Closing

Any morning milking on the closing day will belong to the vendor, and any night milking on the closing day will belong to the purchaser. Where there is any payment for the delivery of milk as of the closing date that is issued in the name of the vendors, the vendors agree to immediately pay to the purchaser that portion of the payment which the purchaser is entitled to. The same shall apply to any government subsidies.

Water Potability Tests

Prior to X date , the vendors will provide the purchaser with an up-to-date water test from the subject property confirming that the quality of the water is potable, and fit for human consumption.

Water Flow: (gallons per minute)

The vendor agrees to identify all wells located on the property, and will provide the purchaser with all Well Driller Records and certificates. The vendor covenants that the well which services the principal residence provides a flow rate of X gallons per minute; and that the well which services the barn provides a flow rate of X gallons per minute.

⌘ Note that a minimum of 5-7 gallons per minute is normally acceptable.

The vendors represent and warrant that the well(s) which service the farm are wholly located within the limits of the said property, and that such well(s) and all related equipment including the pressure system and pumps will be in good working order on closing date.

Septic/sewage system

The vendors represent and warrant that all sewage/septic systems which service the farm are wholly located within the limits of the said property, and that they will be in good working order on closing date. All septic tanks are to be pumped immediately prior to closing at the vendor's expense.

Planning Act Statements

Transfer/Deed to be given to the Purchaser shall contain a statement completed by the Vendor and the Vendor's Solicitor pursuant to Section 50(22) of the Planning Act.

This Agreement shall be effective to create an interest in the real property only if the applicable land division provisions of the Planning Act are complied with, and the Vendor agrees, at his or her expense, to comply with such provisions and to proceed diligently with the application for such compliance.

Family Law Act

The vendor shall comply with the provisions of the Family Law Act, as amended from time to time unless the vendor's spouse has executed the consent hereinafter provided.

Residents

The Vendor, on or before completion, will produce evidence that he or she is not now, and upon completion will not be, a "non-resident person" within the meaning and for the purposes of Section 116 of the Income Tax Act of Canada or if he or she is a "non-resident person" will fully comply with the provisions of Section 116 of the said Act prior to completion.

The Purchaser shall be credited towards the purchase price with the amount, if any, which it shall be necessary for the Purchaser to pay to the Minister of National Revenue in order to satisfy the Purchaser's liability in respect of tax payable by the Vendor under the non-residency provisions of the *Income Tax Act* by reason of this sale. The Purchaser shall not claim such credit if the Vendor delivers on completion the prescribed certificate or his statutory declaration that he is not then a non-resident of Canada.

Preparation of documents

The deed or transfer shall, save for the Land Transfer Tax Affidavits, which shall be prepared and completed by the Purchaser, be prepared in registerable form at the expense of the Vendor and any mortgage at the expense of the Purchaser.

Vendor's Additional Warranties and Covenants

The Vendor further warrants and covenants as follows:

1. That he is the owner of all the Farming assets herein described and agreed to be purchased; that the same are free and clear of all liens and encumbrances whatsoever, except as aforesaid. The Vendor represents and warrants that all statements contained in this Offer are true in fact and substance and that all the records dealing with the livestock are correct, accurate and up-to-date. All such records dealing with the farming assets shall be given to the purchaser on closing.
2. That there are no facts, circumstances or conditions that directly or indirectly relate to the past or present conduct of the Farm with respect to the environmental, health or safety matters that have existed or now exist, that already have, had or may have a material adverse affect on the operation of the Farm or use of any of the assets, or that may give rise to liability for the Purchaser concerning the protection, preservation or remediation of the natural environment, whether air, land, surface water or ground water of which the Vendor is aware.
3. That he will comply with Section 6 of the Retail Sales Tax Act, where applicable.

4. That all the equipment and machinery being acquired on closing shall be in good working condition, wear and tear excepted. The vendors will continue to use, maintain and repair all machinery and equipment in a timely, careful and prudent manner

5. That milk production will be consistent with prior periods. As such, the parties will evaluate on (insert date ?) the current breeding practices of the vendor as well as the environmental conditions affecting the herd (e.g., time of year and pasturing of the cows) . Where milk production, as of the closing, is less than five (5%) percent of what it was for prior record keeping periods, the parties agree to reduce the purchase price for the milking cows accordingly, unless the reason for the drop in production is either acceptable to the purchaser, or the particular farming practices which have resulted in the drop in production have been previously approved by the purchaser. Where the parties are not able to agree upon a reduction, the matter shall be referred to arbitration in accordance with the provisions set out below.

6) That the purchaser shall be entitled to a reduction in the purchase price where:

- a) The vendor is milking more cows on closing than when this agreement was executed, but the herd's overall milk production has either declined or is being maintained at the same level; (Note: this would be a clear indication that the farmer has done something which has adversely affected the herd. Any change however slight will usually result in the drop in production)
- b) The animal records confirm a calving interval of more than 13 months;
- c) The average number of days which the herd is milking is less than "140-160" days per year;
- d) The vendor has not properly planted crops for the season, with due regard being made to the time when the planting occurred, and the appropriate application of fertilizers and sprays;
- e) Any hay fields not having been cut in a timely fashion;
- f) Any cut hay not having been properly stored in a timely fashion.

7. That all animals will be free of disease on closing, and that all inoculations and vaccinations for the herd will be current. The vendor warrants that the animals being sold are in good health and the purchaser will have the right to have the herd examined by a veterinarian prior to closing. Where the veterinarian confirms that an animal is not in good health, the vendor shall replace, at his own cost, the unfit animal with one that is healthy, consistent with the other governing provisions of this agreement as it relates to the replacement of animals.

Where the veterinarian is unable to issue a certificate of good health to the purchaser for more than 15% of animals included in this sale, the purchaser may at his option, terminate this agreement and have all the deposits together with any accrued

interest returned to the purchaser, in which case this agreement shall be considered as null and void and neither party shall be liable to the other for any damages or costs whatsoever.

Where the closing date is more than three (3) months from the acceptance of this agreement, the vendor will engage a Dairy Herd Improvement (DHI) or Nutrition specialist, and until closing will strictly follow, at his cost, the recommendations of such specialist, as it relates generally to the health and production of the herd, and in particular the quality of the feed that is to be given to the herd.

8. That all tile drainage works are completely installed on the vendor's property, and where part of the Tile drainage works are installed on an abutting neighbor's property, the vendor undertakes to provide a proper drainage easement in the farm's favor from the abutting neighbor, all of which will be duly registered on title prior to closing, an acceptable to the purchaser's solicitor.

9. That all tile drainage works/ systems located on the farm are in good working order, and where they are not functioning properly prior to closing, it will be the vendors responsibility to rectify the same at his own cost. The Vendor will supply copies of all tile drainage maps associated with the property.

10. That unless otherwise agreed to, no inventory or stock-in-trade shall be sold without the purchaser's permission.

11. That the Vendor has had no problems with either the quality or quantity of the water being supplied to the farm, and that it is fit for the farming and farm related purposes which are intended to be carried out by the purchaser; and in default of which the vendor will be required to drill a new well(s) for the purchaser which will reasonably satisfy the same.

12. That there are no *Fence Viewers Awards* affecting the property, and that there have been no proceedings instituted thereunder which would affect the farmlands being acquired.

13. That the Vendor has not received any petition for the installation of any municipal drains or drainage works which would affect the farm, and it is agreed that where any amount remains unpaid at anytime before the closing of this transaction for the cost of any drainage works affecting the lands then, in accordance with section 67 of the *Drainage Act* RSO 1990 Ch. D.17, and following, the vendor shall be solely responsible for the payment of same.

14. That there are no proceedings against the Vendor under the *Farming and Food Production Protection Act, 1998*, and that all agricultural operations being carried out on the farm are normal farming practices, as that term is so defined under the *Act*.

15. That there are no outstanding penalties, orders, directions, or detention tags against the Farmer or the farming assets under the *Milk Act* which are pending or being appealed, and that the Vendor is otherwise a licensee in good standing with the DFO.

The Vendor will provide on closing a Statutory Declaration confirming the covenants, representations and warranties set out in this Agreement. Notwithstanding the completion of this transaction, the covenants, representations and warranties on the part of the Vendor contained in this Agreement shall survive closing and continue in full force and effect for the benefit of the Purchaser

Arbitration:

If a dispute arises between the parties relating to this Agreement, the parties shall use the following procedure:

1. A meeting shall be held promptly between the parties, attended by individuals with decision-making authority regarding the dispute, to attempt in good faith to negotiate a resolution of the dispute.
2. If, within thirty (30) days after such meeting, the parties have not succeeded in negotiating a resolution of the dispute, they agree to submit the dispute to mediation and to bear equally the costs of the mediation.
3. The parties will jointly appoint a mutually-acceptable mediator, seeking assistance in such regard from an appropriate mediation facility if they have been unable to agree upon such appointment within twenty (20) days from the conclusion of the negotiation period.
4. The parties agree to participate in good faith in the mediation and negotiations related thereto for a period of thirty (30) days. If the parties are not successful in resolving the dispute through the mediation, then the parties agree that the dispute shall be settled by arbitration in accordance with the Arbitrations Act, 1991 and the Arbitration Rules of Arbitration and Mediation Institute of Ontario Inc. The decision of the arbitrator shall be final and binding and shall not be subject to appeal on a question of fact, law or mixed fact and law.

Physical Inspection of All Assets prior to Closing

The parties agree to make a joint inspection of all farming assets being acquired pursuant to this agreement seven (7) days prior to closing, and to sign a joint statement indicating

any deficiency arising from their inspection. Without limiting the generality of the foregoing, this shall include any missing items which are to be returned to the real property, or any defective machinery which is to be repaired by the vendors, at their sole expense.

The vendors agree that where:

- 1) the reasonable replacement value of any missing equipment, or
- 2) the reasonable cost of any required repairs (which have not been made by the vendor)

are collectively in excess of \$1000 (as estimated by the purchaser) then the vendor=s solicitor shall maintain a holdback, in trust, after closing of the amount in question.

The vendor=s solicitor shall only release such holdback funds to the vendor:

- 1) after the missing equipment has been returned to the real property; or
- 2) where applicable, the required repairs have been completed to the satisfaction of the purchaser, and
- 3) evidence of payment by the vendors of such repairs has been satisfactorily provided to the purchaser.

Bulk Sale Compliance

This sale to be made under and subject to the provisions of the Bulk Sales Act.

Complete Contract

It is agreed that there is no representation, warranty, collateral agreement or condition affecting this Agreement or the Property or supported hereby other than as expressed herein in writing.

Tender of Documents

Any tender of documents or money hereunder may be made upon the Vendor or purchaser or upon the Solicitor acting for the party on whom tender is desired, and it shall be sufficient that a negotiable certified cheque be tendered instead of cash.

Documents and discharges

If a discharge of any lien under the *Personal Property Security Act* or a discharge of any charge/mortgage held by a corporation incorporated pursuant to the Loan Companies Act (Canada), Chartered Bank, Trust Company, Credit Union, Caisse Populaire or Insurance Company, and which is not to be assumed by the purchaser on closing, is not available in a registrable form on closing, then the purchaser agrees to accept the vendors' lawyer's personal undertaking to obtain, out of the closing funds, a discharge of such lien or charge/mortgage in a registrable form, and to register the same within a reasonable period of time after closing; provided that on or before closing, the vendors shall provide the purchaser with a mortgage statement duly prepared by the mortgagee or the lienholder setting out the balance required to obtain the discharge in question, together with a direction duly executed by the vendor directing payment to the mortgagee or lienholder, of the amount required to obtain the said discharge out of the balance due on closing.

Notices:

The parties hereto appoint their respective solicitors as their authorized agents for the purpose of sending and receiving any notices pursuant to this agreement. All notices shall be in writing. This offer, any counteroffer, notice of acceptance thereof or any other notices contemplated by this agreement shall be deemed to be given when it is hand delivered to the solicitor to whom the notice is addressed, at the address provided for herein, or where any notice is sent by telecopier, when it is so transmitted electronically to the facsimile number provided for herein.

Vendors' solicitors:

Address:

Telephone number:

Fax number:

e-mail address:

attention:

Purchasers' solicitors:

Address:

Telephone number:

Fax number:

e-mail address:

attention:

Time of the essence

Time shall be of the essence, provided that time for doing or completing any manner provided for herein may be extended or abridged by an agreement in writing signed by the vendors and the purchasers, or their respective solicitors who may be specifically authorized in that regard.

General

- _ Each party to pay the costs of registration and taxes on his or her own documents.
- _ This Offer and its acceptance to be read with all changes of gender or number required by the context.
- _ In the event of failure on the part of the Purchaser to carry out the terms hereof, the deposit is to be retained by the Vendor as liquidated damages and not as a penalty.
- _ Section headings are not to be considered part of this Agreement and are included solely for convenience of reference and are not intended to be full or accurate descriptions of the contents thereof. All schedules attached hereto shall form part of this agreement.
- _ This Offer and its acceptance to be read with all changes of gender or number required by the context.
- _ This Agreement shall be binding upon the heirs, executors and administrators of the parties hereto. This Agreement shall not be assignable by either of the parties hereto without the prior written consent of the other party. All covenants on the part of more than one party shall be both joint and several.
- _ All dollar amounts referred to in this Agreement are Canadian funds; unless otherwise provided.
- _ This agreement shall be governed according to the laws of the Province of Ontario.

- The Purchaser and Vendor agree that their respective signatures and initials on this Offer to Purchase delivered or sent by telecopier or facsimile machines will be considered valid, acceptable or binding as if they were original signatures or initials.

Severability

If any term, covenant or condition of this agreement or its application to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this agreement, or the application of such term, covenant or condition to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this agreement shall be valid and enforced to its fullest extent permitted by law.

Binding Agreement

This Offer, when accepted by the Vendor, shall constitute a binding contract of purchase and sale, and time in all respects shall be of the essence of this Agreement

DATED at _____, Ontario this _____, 200?.

IN WITNESS WHEREOF I have hereunto set my hand and seal.

SIGNED, SEALED AND DELIVERED
in the presence of:

Purchaser

The undersigned, hereby accepts the above Offer and its terms and covenants, promises and agrees to and with the above-named Purchaser to duly carry out the same on the terms and conditions above mentioned, and hereby accepts the deposit of \$ _____.

IN WITNESS WHEREOF I have hereunto set my hand and seal.

SIGNED, SEALED AND DELIVERED
in the presence of:

Vendor

Vendor=s Spouse

SCHEDULE "A"

[Property Description]

⌘ Attend at the Registry Office and obtain a proper description. Determine if the description is acceptable for registration purposes.

SCHEDULE AB@

[Insert Specific List of Equipment and Fixtures]

⌘ Quite often the Vendor=s insurance policy will have a very detailed list of the machinery, equipment and fixtures.

COMMENT
Comment: Top of Form 1
Bottom of Form 1

