Deposit Agreement

Between: Date: _____

_____: the **Dealer** and

_____: the **Customer**

It is agreed that the Customer will pay to the Dealer the full sum of $_____

This money is being accepted by the Dealer as a **Deposit***. This money is being paid to

- ☐ Hold a vehicle for a period of time
- ☐ Bring a vehicle from another dealer
- ☐ Order a vehicle from the manufacturer
- ☐ Arrange financing for a vehicle
- ☐ If other, please describe:

Terms

1. If the Customer does not perform their part of the agreement by _____ (date) all these monies are (select one);

☐ **Refundable** _____ (initial)

☐ **Not refundable** _____ (initial)

2. If the Dealer does not perform their part of the agreement by _____ (date) all these monies will be refunded.

3. If the Customer and the Dealer perform their parts of the agreement, the deposit will be applied to the purchase price.

Customer: _____ **Dealer:** _____

Notes to dealers:

1. A partial payment or down payment should be documented as part of a detailed purchase or sale agreement.
2. A deposit agreement for your dealership should be adapted with the help of your legal counsel to match your business practices.

*Sections 21(1)(j) and 21(2) of the *Motor Dealer Act Regulation* Reg. 447/78 require that a deposit be specifically identified and accounted for on the purchase agreement for a new or used motor vehicle.

SAMPLE