

NOTE – This form does not constitute the preliminary contract required under articles 1785 and following of the Civil Code of Québec for the sale of an immovable by a builder or promoter. Where a preliminary contract is required, a specific form must be used.

1. IDENTIFICATION OF THE PARTIES

NAME, ADDRESS, TELEPHONE NUMBER AND EMAIL OF BUYER 1 AND REPRESENTATIVE, IF APPLICABLE, RELATIONSHIP TO BUYER (E.G. MANDATARY)

NAME, ADDRESS, TELEPHONE NUMBER AND EMAIL OF SELLER 1 AND REPRESENTATIVE, IF APPLICABLE, RELATIONSHIP TO SELLER (E.G. MANDATARY, LIQUIDATOR OF A SUCCESSION OR BUSINESS CORPORATION)

NAME, ADDRESS, TELEPHONE NUMBER AND EMAIL OF BUYER 2 AND REPRESENTATIVE, IF APPLICABLE, RELATIONSHIP TO BUYER (E.G. MANDATARY)

NAME, ADDRESS, TELEPHONE NUMBER AND EMAIL OF SELLER 2 AND REPRESENTATIVE, IF APPLICABLE, RELATIONSHIP TO SELLER (E.G. MANDATARY, LIQUIDATOR OF A SUCCESSION OR BUSINESS CORPORATION)

(hereinafter called "the BUYER").

(hereinafter called "the SELLER").

2. OBJECT OF THE PROMISE TO PURCHASE

2.1 The BUYER hereby promises to purchase the immovable described hereinafter, at the price and under the conditions stated below, through:

_____, broker

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 carrying on activities within the following business corporation: _____
 representing the following agency: _____ or acting on his own account.

3. SUMMARY DESCRIPTION OF THE IMMOVABLE

3.1 The immovable, with building erected, if applicable, is designated as follows:

NUMBER	STREET	CITY	PROVINCE	POSTAL CODE
CADASTRAL DESCRIPTION				
DIMENSIONS		AREA		
<input type="checkbox"/> m <input type="checkbox"/> ft		<input type="checkbox"/> m ² <input type="checkbox"/> ft ²		

(hereinafter called "the IMMOVABLE").

4. PRICE AND DEPOSIT (PLUS TAXES, IF APPLICABLE)

- 4.1 **PRICE** – The purchase price shall be _____ dollars (\$ _____) which the BUYER agrees to pay in full upon the signing of the deed of sale.
- 4.2 The IMMOVABLE is not subject OR is subject to Goods and Services Taxes and Québec sales taxes in a proportion of ____%. Consequently, any tax that may be imposed as a result of the sale and to be collected by the SELLER under applicable tax laws shall, upon the signing of the deed of sale, be remitted by the BUYER to the SELLER for this purpose.
- 4.3 **DEPOSIT** – With this promise to purchase, the BUYER remits to the broker referred to in clause 2.1, as a deposit on the sale price to be paid, a sum of _____ dollars (\$ _____) by cheque payable to the order of "NAME OF AGENCY OR BROKER IN TRUST in trust" (hereinafter called the "TRUSTEE"). Following the acceptance of this promise to purchase, the cheque may be certified and shall be given to the TRUSTEE, who shall deposit it into his trust account until the sum is required by the notary for the purpose of the deed of sale, whereupon that sum shall be applied against the purchase price. As soon as he has deposited that sum into his trust account, the TRUSTEE shall give the depositor a receipt. Should this promise to purchase become null and void, the TRUSTEE shall immediately refund the deposit to the depositor, without interest. The TRUSTEE may require that the request for a refund be made in writing. Otherwise, the TRUSTEE may use that deposit only in accordance with this promise to purchase or with the law.

5. METHOD OF PAYMENT

- 5.1 **DEPOSIT** – Deposit paid in accordance with clause 4.3 of this promise to purchase: \$ _____
- 5.2 **ADDITIONAL SUM** – Within the deadline indicated by the acting notary, the BUYER shall pay, or shall cause to be paid, to the acting notary, in trust, an additional sum: \$ _____
- 5.3 **NEW LOAN** – Within the deadline indicated by the acting notary, the BUYER shall cause to be paid to the notary, in trust, a sum corresponding to any amount to be obtained in the form of a new hypothecary loan in accordance with clause 6.1: \$ _____
- 5.4 **EXISTING LOAN** – The BUYER shall assume, in accordance with Financing Annex AF- [____], the obligations relating to the existing hypothecary loans, of which the overall balance is approximately: \$ _____
- 5.5 **BALANCE OF THE SALE PRICE** – The BUYER shall pay to the SELLER, in accordance with Financing Annex AF- [____], the balance of the sale price: \$ _____
- TOTAL PRICE** \$ _____

6. NEW HYPOTHECARY LOAN

- 6.1 **TERMS AND CONDITIONS** – The BUYER undertakes to take in good faith, as soon as possible and at his expense, all steps necessary to obtain a loan of \$ _____, secured by hypothec; this loan bearing interest at the current rate, which shall not exceed ____% per annum (calculated semi-annually and not in advance), shall be calculated according to a maximum amortization plan of ____ years, the balance becoming due in a minimum of ____ years.
- In his efforts to obtain such a loan, the BUYER declares that:
- he is bound to an agency or broker by an exclusive mortgage brokerage contract
OR
 he is not bound to an agency or broker by an exclusive mortgage brokerage contract.
- 6.2 **UNDERTAKING** – The BUYER undertakes to supply to the SELLER, within ____ days following acceptance of this promise to purchase, a copy of the undertaking by a hypothecary lender to grant the BUYER a loan in the amount set out in clause 6.1 or higher. Receipt of such an undertaking within that period shall have the effect of fully satisfying the conditions set out in clause 6.1.

6.3 ABSENCE OF UNDERTAKING – In the absence of proof of such an undertaking, the SELLER may, within a period of five (5) days following the expiry of the period set out in clause 6.2 or following receipt of a notice of refusal, notify the BUYER, in writing:

a) that he is requiring the BUYER to file immediately, at his expense, with a hypothecary lender designated by the SELLER, a new application for an hypothecary loan conforming to the conditions set out in clause 6.1. Should the BUYER not succeed in obtaining, within the time period specified in the SELLER's notice, a written undertaking from that hypothecary lender to grant the BUYER the loan applied for, this promise to purchase shall become null and void. However, the receipt of such an undertaking within that period shall have the effect of fully satisfying the conditions of this section;

OR

b) that he renders this promise to purchase null and void.

Where the SELLER does not avail himself of the provisions of paragraph (a) or (b) above within the specified time period, this promise to purchase shall become null and void.

7. DECLARATIONS AND OBLIGATIONS OF THE BUYER

- 7.1 Subject to clause 8.1 and unless stipulated otherwise in clause 12.1, the BUYER has visited the IMMOVABLE, on _____ DATE and declares that he is satisfied therewith.
- 7.2 The BUYER declares that he is not bound **OR** he is bound to the agency or the broker identified in clause 2.1 by a brokerage contract to purchase.
- 7.3 The costs of the deed of sale, of its registration and of the copies required shall be at the BUYER's expense.
- 7.4 Transfer duties following the signing of the deed of sale shall be at the BUYER's expense.
- 7.5 The BUYER may not sell, assign or otherwise alienate his rights in this promise to purchase without obtaining the prior written consent of the SELLER.
- 7.6 **DAMAGES** – In the event that no deed of sale is signed for the IMMOVABLE through the BUYER's fault, the BUYER undertakes to compensate directly the agency or the broker, bound to the SELLER by brokerage contract, in accordance with the ordinary rules of law, by paying damages equal to the remuneration that the SELLER would otherwise have had to pay.

8. INSPECTION BY A PERSON CHOSEN BY THE BUYER

- 8.1 This promise to purchase is conditional upon the BUYER being permitted to have the IMMOVABLE inspected by a building inspector or a professional within a period of _____ days following acceptance of this promise to purchase. Should this inspection reveal the existence of a factor relating to the immovable and liable to significantly reduce the value thereof, reduce the income generated thereby or increase the expense relating thereto, the BUYER shall notify the SELLER, in writing, and shall give him a copy of the inspection report within four (4) days following the expiry of the above-mentioned time period. This promise to purchase shall become null and void upon receipt, by the SELLER, of this notification together with a copy of the inspection report. Should the BUYER fail to notify the SELLER within the time period and in the manner specified above, he shall be deemed to have waived this condition.

OR

By initialing this box, the BUYER acknowledges having been informed of his right to have the IMMOVABLE inspected by a building inspector or a professional and having waived his right to do so.

9. REVIEW OF DOCUMENTS BY THE BUYER

- 9.1 This promise to purchase is conditional upon the BUYER's examination and verification of the following documents:

To this effect, the SELLER shall submit to the BUYER a copy of the above documents within _____ days following acceptance of this promise to purchase.

Should the BUYER not be satisfied upon examining and verifying these documents or should he fail to receive them within the specified time period and wishes to make this promise to purchase null and void as a result, he shall notify the SELLER, in writing, within seven (7) days following the expiry of the above mentioned time period.

This promise to purchase shall become null and void upon receipt of this notification by the SELLER. Should the BUYER fail to notify the SELLER within the above mentioned time period, he shall be deemed to have waived this condition.

10. DECLARATIONS AND OBLIGATIONS OF THE SELLER

10.1 The SELLER declares that:

1. he is the sole owner of the IMMOVABLE or is duly authorized to sign this promise to purchase;
2. where applicable, his spouse consents to and concurs in this promise to purchase and will intervene in the deed of sale;
3. he is a Canadian resident within the meaning of the Income Tax Act and the Taxation Act and does not intend to change this residence, otherwise the tax provisions concerning the issuance of a certificate or the withholding of a portion of the sale price shall be applied;
4. the IMMOVABLE is not the subject of an agreement to sell, exchange or lease it, or of a pre-emptive right in favour of a third party;
5. the IMMOVABLE is not an immovable referred to in article 1785 of the Civil Code of Québec, i.e. an existing or planned residential immovable sold by the builder or a promoter to a natural person who acquires it to occupy it, whether or not the sale includes the transfer to this buyer of the seller's rights over the land.

10.2 DELIVERY OF THE IMMOVABLE – The SELLER promises to sell the IMMOVABLE to the BUYER and, unless stipulated otherwise in clause 12.1, undertakes to deliver the IMMOVABLE in the condition in which it was when the BUYER visited it.

10.3 OWNERSHIP DOCUMENTS – The SELLER shall supply the BUYER with a valid title of ownership. The IMMOVABLE shall be sold free of any real right or other charges, other than the usual and apparent servitudes of public utility. The SELLER shall be warrantor towards the BUYER for any violation of the restrictions of public law that affect the IMMOVABLE and that are exceptions to the ordinary law of ownership.

The SELLER shall supply to the BUYER his act of acquisition, as well as a certificate of location describing the current state of the IMMOVABLE, reflecting any cadastral renovation if applicable; the cost of any new certificate of location shall be borne by the BUYER where the previous certificate proves not to have been amended. The SELLER shall also supply to the BUYER, upon request, any documents in his possession concerning the IMMOVABLE. These documents shall be forwarded to the acting notary identified in clause 11.1.

10.4 COSTS RELATING TO REPAYMENT AND CANCELLATION – The costs relating to the repayment and cancellation of any debt secured by hypothec, prior claim or any other real right affecting the IMMOVABLE shall be borne by the SELLER where payment of those costs will not be assumed by the BUYER. The costs relating to repayment include any penalty that may be applicable in case of early repayment.

10.5 DEFECT OR IRREGULARITY – Should the BUYER or the SELLER be notified, before the signing of the deed of sale, of any defect or irregularity whatsoever affecting the declarations and obligations of the SELLER contained herein, the SELLER shall, within twenty-one (21) days following receipt of a written notice to that effect, notify the BUYER, in writing, that he has remedied that defect or irregularity at his expense or that he will not remedy to it.

The BUYER may, within a period of five (5) days following receipt of a notice from the SELLER that the latter will not remedy the defect or irregularity, or following the expiry of the twenty-one (21) day period in the absence of any notice, notify the SELLER, in writing:

- a) that he is purchasing with the alleged defects or irregularities mentioned. Consequently, the SELLER's declarations and obligations shall be reduced accordingly;

OR

- b) that he renders this promise to purchase null and void. Consequently, the fees, expenses and costs reasonably incurred until that time by the BUYER and the SELLER shall be borne only by the SELLER.

Where the BUYER has not availed himself of the provisions of paragraphs (a) or (b) above within the specified time period, this promise to purchase shall become null and void, in which case the BUYER and the SELLER shall each bear the fees, expenses and costs incurred by them respectively.

10.6 INTERVENTION OF SPOUSE – If part of the IMMOVABLE constitutes the SELLER's family residence, or where rendered necessary by the SELLER's matrimonial status, the SELLER undertakes to remit to the BUYER, as soon as this promise to purchase is accepted, either a document evidencing his spouse's consent and, where applicable, his spouse's concurrence and an undertaking by his spouse to intervene for the same purposes in the notarial deed of sale, or a copy of a judgment authorizing him to sell the IMMOVABLE without his spouse's consent. Failing that, the BUYER may, by giving written notice to this effect, render this promise to purchase null and void.

10.7 DAMAGES – In the event that, through the SELLER's fault, no deed of sale is signed for the IMMOVABLE, the SELLER undertakes to compensate directly the agency or the broker, bound to the BUYER by a brokerage contract to purchase, in accordance with the ordinary rules of law, by paying damages equal to the remuneration that the BUYER would otherwise have had to pay.

11. DECLARATIONS AND OBLIGATIONS COMMON TO THE BUYER AND THE SELLER

11.1 DEED OF SALE – The BUYER and the SELLER undertake to sign a deed of sale before _____, notary, on or before _____ DATE. The BUYER shall be the owner upon the signing of the deed of sale.

The BUYER and the SELLER hereby authorize the broker identified in clause 2.1 to forward to the notary identified above the information contained in this form and the annexes thereto, including any related document, within the deadline indicated by the notary.

11.2 OCCUPANCY OF PREMISES – The SELLER undertakes to render the immovable available for occupancy by the BUYER as of _____^{DATE}
at _____: _____ and to leave it free of any property not included in this promise to purchase or not assumed by the BUYER, failing which the BUYER may have it removed at the SELLER's expense. If the SELLER vacates the IMMOVABLE before that date, he shall nevertheless remain responsible for keeping the immovable in the condition that it was in when the BUYER visited it.

11.3 ADJUSTMENTS – Upon the signing of the deed of sale, all the adjustments in respect of general and special real estate taxes, fuel reserves, and income or expenses relating to the IMMOVABLE shall be made:

as of the date of signing of the deed of sale;

OR

as of the date of occupancy.

If the occupancy of the premises is to be subsequent to the signing of the deed of sale, an adjustment in regard of this occupancy shall be made at the signing of the deed of sale, according to the following calculation: the SELLER shall pay an amount equivalent to \$ _____ per month, calculated from the date of signing of the deed of sale to the date of occupancy set out in clause 11.2, as compensation for the SELLER's occupancy of the premises during that period. In such event, heating, electricity and general maintenance costs relating to the premises occupied shall be assumed by the SELLER. In addition, the SELLER shall supply to the BUYER, at his expense, proof of liability insurance.

11.4 AGENCY OR BROKER REMUNERATION – INSTRUCTIONS TO THE NOTARY – The BUYER and the SELLER irrevocably instruct the acting notary to pay directly to _____, agency or broker of the SELLER, the remuneration amount set out in the brokerage contract to sell awarded by the SELLER from the available sums payable to the SELLER after payment of any prior or hypothecary claim and any disbursements or fees incurred by the notary to cancel these claims. Upon instruction from the agency or broker of the SELLER, the notary shall pay a portion of this remuneration to the agency or broker identified in clause 2.1.

11.5 INCLUSIONS – Included in the sale are the following items:

which are sold without any legal warranty of quality, at the BUYER's own risk, but must be in working order at the time of delivery of the IMMOVABLE.

11.6 EXCLUSIONS – Excluded from the sale are the following items:

11.7 Service and leasing contracts on appliances and equipment to be assumed by the BUYER:

11.8 Items covered by an instalment sales contract, trial sales contract, sales contract with right of redemption, sale contract with resolutive clause, or leasing contract, and obligations of the SELLER to be assumed by the BUYER:

12. OTHER DECLARATIONS AND CONDITIONS

12.1

Unusable for
a transaction

13. ANNEXES

13.1 The provisions set forth in the Declarations by the seller Annex DS- [] [] [] [] [] [] and those set forth in the Annexes identified below form an integral part of this promise to purchase:

General Annex AG- [] [] [] [] [] [] Residential immovable Annex AR- [] [] [] [] [] [] Financing Annex AF- [] [] [] [] [] []

Other(s) : _____

14. CONDITIONS OF ACCEPTANCE

14.1 The BUYER and the SELLER declare that their consent is not the result of any representation or condition not contained herein. The BUYER is irrevocably committed until _____ : _____ , on _____ DATE .

If the SELLER accepts this promise to purchase, within this deadline, it shall constitute a contract that is legally binding on the BUYER and the SELLER until proper and full execution. If the SELLER does not accept it, within this deadline, this promise to purchase shall become null and void. A refusal by the SELLER shall render this promise to purchase null and void. A counter-proposal by the SELLER shall have the same effect as a refusal.

15. INTERPRETATION

15.1 Unless the context dictates otherwise, the masculine form includes the feminine and neutral forms and vice versa, and the singular includes the plural and vice versa.

15.2 This contract and the performance thereof are governed by the laws of Québec.

16. SIGNATURES

The parties have requested that this form and all related documents be drawn up in English only. Les parties aux présentes ont exigé que le présent formulaire et tous les documents qui s'y rattachent soient rédigés en anglais seulement.

BUYER – The BUYER acknowledges having read, understood and agreed to this promise to purchase, including any annexes thereto, and having received a copy thereof.

SELLER's REPLY – The SELLER acknowledges having read and understood this promise to purchase, including any annexes thereto, and having received a copy thereof.

The SELLER _____ this promise to purchase or submits counter-proposal CP- _____
"ACCEPTS" OR "REFUSES"

Signed in _____,
on _____, at _____: _____.
DATE

Signed in _____,
on _____, at _____: _____.
DATE

SIGNATURE OF BUYER 1

SIGNATURE OF SELLER 1

WITNESS

WITNESS

Signed in _____,
on _____, at _____: _____.
DATE

Signed in _____,
on _____, at _____: _____.
DATE

SIGNATURE OF BUYER 2

SIGNATURE OF SELLER 2

WITNESS

WITNESS

ACKNOWLEDGEMENT OF RECEIPT – The BUYER acknowledges having received a copy of the SELLER's reply.

INTERVENTION OF SELLER's SPOUSE – The undersigned declares to be the spouse of the SELLER, to consent to and, where applicable, concur in the acceptance of this promise to purchase, including any annexes thereto, and to undertake to intervene in the notarial deed of sale for all legal purposes.

Signed in _____,
on _____, at _____: _____.
DATE

Signed in _____,
on _____, at _____: _____.
DATE

SIGNATURE OF BUYER 1

SIGNATURE OF SELLER'S SPOUSE

WITNESS

WITNESS

Signed in _____,
on _____, at _____: _____.
DATE

SIGNATURE OF BUYER 2

WITNESS