

Real Estate Services



Welcome to Giardino Law. We are pleased to represent you in the sale of your property. This letter discusses a few important matters with respect to this transaction that we would like to bring to your attention.

We understand that this is a long letter with a lot of information and we have made our best efforts to keep it simple. This letter contains information that may not apply to your sale. We will review this letter with you at our meeting along with other information for your Sale. If you wish you can sign the letter at our meeting however, please return the other information required to us so we can prepare your file.

Your Next Steps:

- Return the signed Retainer Letter to us;
- Return the completed Seller Information Form to us;
- Give our contact information to your Real Estate Agent, if any (they will send us the "Conveyancing Instructions").

We must receive the following to get started:

- This Retainer Letter signed by you (unless you want to sign it at our meeting);
- Seller Information form;
- Conveyancing Instructions from your Real Estate Agent or if you do not have a Real Estate Agent you must send us a copy of your purchase agreement, any amendments, condition removal form, and proof of payment of the deposit to the seller.

Then, we will do the following:

1. Prepare your paperwork for signing;
2. Contact you to arrange a meeting for signing the paperwork and provide you with details of the meeting;
3. Receive the funds from the buyer's lawyer on closing and arrange for the disbursement of funds.

Contacting Us

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Your lawyer is **Rosellina Giardino**. She can be contacted at: 780-473-7779 or rg@giardinolaw.com.

Signing Documents

We will contact you when the necessary documents to complete the sale of the Property have been prepared and will arrange a time for you to attend at our office to sign them. We must meet in person to sign these documents. If you will not be available prior to the closing, please inform us immediately.

Generally you only need to meet with us once to sign the documents. At this meeting you will usually be required to bring valid government issued photo identification, the original Real Property Report (if required), and a void cheque for the account that the sale proceeds are to be deposited to. We will provide you with more information when we set up your meeting.

Legal Fee

We will provide you with a Flat Rate which is the total cost for a basic transaction. This fee includes typical disbursements charges such as title and municipal property tax searches, photocopying and courier charges.

Additional Fees

- House or Bareland Condo:* This price does not include the cost of a Real Property Report which you are usually required to provide to the purchaser if you are selling a house or bare land condo. You must have a current Real Property Report with municipal compliance to complete your sale on time unless your sale agreement provides otherwise. I do not provide undertakings to provide a Real Property Report to the buyer post closing unless there is a holdback of funds and you pay for the buyer's title insurance.
- In the event I am required to holdback funds
- Condo or Bareland Condo:* This price does not include the cost of an Estoppel Certificate, Certificate of Insurance, and Information Statement which you are usually required to provide to the purchase if you are selling

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a condo and which the lawyer must order directly on closing (these are different than the condo documents that you may have already provided to the buyer)

Issues outside of standard paperwork

This is to deal with "straightforward" real estate matters. Sometimes problems can arise on real estate transactions which require additional work to protect your interests and secure the closing of the transaction. If such problems develop with respect to your file, we will charge fees in addition to the tariff quoted above. These fees will be charged on the basis of the amount of time spent by the lawyer and/or paralegal working on the file to deal with the problem. The writer's time is recorded at an hourly rate of \$350.00 per hour.

Authorization to act as agent for various searches

We/I authorize you to incur any of the following expenses which you may consider necessary with respect to the transaction on my behalf as our/my agent: Land Titles Office registration fees; Personal Property registration fees; searches at the Land Titles Office, Personal Property Registry, Court House, Sheriff's Office, Corporate Registry, Workers' Compensation Board, Bank of Canada and other government offices and agencies; fees for municipal tax searches and certificates; and any other GST exempt or zero-rated supplies.

Included Services - Our involvement in your sale includes the following services:

We will deal with the transfer of title to the buyer and receipt and disbursement of the sale proceeds according to the terms of your purchase and sale agreement with the seller. This means we will:

1. Search title;
2. Review charges to remain on and to be removed from title;
3. Obtain and review municipal tax information specific to the property;
4. Prepare transfer documents as well as supporting documents required;
5. Attend to or arrange for execution of transfer documents;
6. Negotiate appropriate closing undertakings with the buyer's lawyer;
7. Request and receive payout statements;

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8. Receive and account for trust funds;
9. Payout items required to be paid from the sale proceeds as directed;
10. Disburse trust funds; and
11. Report and provide you with a final documentation.

How the process works

You should know that it is our intention to complete your sale by using trust conditions exchanged between our office and the lawyers acting for the purchasers. This is the normal way of closing real estate transactions in Alberta. Instead of exchanging transfer documents for cash, we will deliver those documents to the purchasers' lawyers in trust that they do not use them in any way until they have satisfied all of the requirements we have imposed on them.

In a cash transaction, these requirements include having all of the cash to close in their solicitors' trust account. Once the purchasers' lawyers have met these trust conditions, they submit the transfer documents to the Land Titles Office for registration and, upon confirmation of registration of the title to the property in the purchasers' names, pay the full cash to close to us.

If the purchasers are getting a new mortgage, their lawyers must first satisfy all of the requirements of the mortgage company for obtaining the full advance of the mortgage proceeds and have all of the remaining cash needed to complete this transaction in their trust account. Upon confirmation of registration, they then requisition the mortgage proceeds and pay us the full cash to close upon its receipt.

Upon our receipt of the cash to close, we will then be under a trust obligation to use those funds to pay out and discharge any encumbrances registered against the title to the property which the purchasers are not assuming.

It is usually more efficient for our office to use an alternate way of closing the transaction. This may be by way of the Western Conveyancing Protocol or the use of title insurance gap coverage. In both instances, the buyer's mortgage lender may release the mortgage funds and you will be paid the cash to close prior to registration of the title in your names. You authorize our office to use Western Conveyancing Protocol or title insurance gap coverage to close your transaction.

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As with all things, there is some potential risk in the use of trust conditions in the sense that if the lawyer on the other side of the transaction makes a mistake or, more seriously, fails to perform the trust obligations (dishonestly or otherwise), it can complicate and delay completion of the transaction. However, the Alberta Law Society Assurance Fund will protect against loss by a breach of trust conditions and the ultimate sanction against the solicitor who fails to perform trust conditions is disbarment. These circumstances generally make the use of trust conditions very reliable, which is the reason they have been used for many years in Alberta. They are also a more efficient method for closing and thus reduce the cost of handling the transaction.

In some provinces the practice is to exchange documents for money in a formal closing. That practice has generally not applied in Alberta for many years. Nonetheless we feel that it is important that you know and understand the practice of using trust conditions and the fact that we will be following it.

Receiving and disbursing the sale proceeds

We usually receive the sale proceeds around NOON on the closing day. When we receive the funds, we will notify your real estate agent to release the keys to the buyer. We will then payout your mortgage loan, real estate commission, and other items to be paid from the sale proceeds. These items are generally paid out the afternoon of closing or the next business day. You will then receive a solicitor trust cheque for the balance of the sale proceeds or we may arrange to have the funds deposited to the closest local branch of a major financial institution. Note that funds deposited to your account are subject to a hold based on your account terms and bank policy and we have no control over any holds.

Delays with closing

We make our best efforts to close your sale on time. However there are items out of our control that may delay your closing and these items are often unforeseen until the day of closing. For example, we may not receive the funds from the seller in time to complete your closing. This means that we will not pay out your mortgage on the day of closing and you will not receive the sale proceeds as scheduled or expected. If there is a delay with the closing, most purchase agreements set out a per diem

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penalty that the seller must pay you. In some cases, the buyer will request possession on a tenancy at will basis. This will be explained to you if applicable.

Payment of our Account

As the sale closes, we will receive the purchase monies from the Purchaser's solicitor and will deposit these funds into our trust account. We will then pay them out in accordance with the Irrevocable Order and Direction which you have executed, and our account will be paid out of these funds. Once this transaction has concluded, we will account to you for all of these funds and explain what these funds have been applied to. The balance of the purchase monies left over will be paid to you in the manner which you have chosen.

The contract for sale

Either your or your realtor has prepared the contract for the sale of the property. It is your responsibility to ensure that all transaction terms are accurately reflected on the purchase contract and any addendum provided to us by you or your Realtor. Please advise us immediately if there have been any amendments or other agreements, verbal or in writing, regarding the transaction terms. Once the contract has been signed, the terms generally cannot be changed unless both the seller and the purchaser agree to the change. As your lawyer, I am responsible for the transfer of the property according to the terms of the agreement that you have generally agreed to before my involvement in the transaction. If there is a missing term or a term that you do not agree with in most cases I cannot change it.

Utilities

It is also important for you to arrange to have the utility meters read on the property as close as possible to the closing date. You should check with the appropriate utility companies for the light, water and gas.

Condo Fees

You are responsible for ensuring that any pre-authorized payments for condo fees are cancelled.

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Property Tax

Generally, property taxes are assessed for the entire calendar year and billed in May or June. If your transaction closes before the taxes are due, you will usually receive a debit on your statement of adjustments for your share of the taxes and the buyer will be responsible to remit full payment of the taxes to the municipality on the due date. If your transaction closes after taxes are due and you have paid the taxes in full, you will receive a credit for the buyer's share of the property tax on closing. If you pay your taxes on a monthly payment plan with the municipality there will also be a small adjustment on closing. You are responsible for cancellation of the monthly payment plan.

Income Tax

You are responsible for any taxes payable or filings required as a result of this transaction and are advised to talk to an accountant in this regard.

Insurance

You should not cancel your fire insurance policy on this property until such time as all monies have been paid to you as you are generally responsible for the property until you receive the purchase price from the seller and this may not be on the scheduled closing day. Upon having received all monies owing to you, it is your responsibility to cancel your fire insurance policy and to apply for any refund of premium to which you may be entitled.

Keys

You should not release keys or authorize your real estate agent to release keys to the purchaser until we confirm that it is in order to do so.

Privacy

We owe a duty of confidentiality to you and will treat your information in accordance with the Law Society of Alberta requirements. By engaging our office to assist you with the sale of the Property, you have authorized us to disclose information about you and the transaction to your mortgage lender, real estate offices involved, the purchaser's lawyer, insurance agents, and municipalities and other agencies to the extent reasonable required to facilitate the purchase transaction.

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Storage of Documents

All documents related to your transaction may be stored electronically either on local servers or through other electronic media including cloud servers. In choosing a service provider, I will ensure to exercise my due diligence to ensure the confidentiality of your information. I do not retain original copies of documents once your file has been closed. Your closed file will be saved in digital form.

GST

I do not provide advice as to whether the transaction is GST exempt. Generally, in most cases the sale of a resale residential property is GST exempt and the purchase contract you have signed usually accounts for whether the GST is included or not in the sale price. As the seller you are usually responsible for remitting any GST payable. If you have any doubts about these matters, please contact us immediately so that we can recommend an accountant to advise you. Notwithstanding the above information, it is your responsibility to satisfy yourself as to the GST status of the Property as we do not provide advice with respect to GST.

Please confirm:

I am a resident of Canada.

- Yes
- No

If you are a non resident, the sale proceeds are subject to a holdback until such time as the CRA issues a Clearance Certificate. Please contact me for more information.

The property is currently owner occupied.

- Yes
- No
 - There are tenants in the property and the Buyer is assuming the tenancy.
 - There are tenants in the property and and I am terminating the tenancy prior to closing.
 - The property is vacant.

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I am the builder of this property.

- Yes
- No

The property was constructed, and was first occupied as a newly constructed home prior to Feb 1, 2014.

- Yes
- No

If you will be away prior to closing

Finally, if you expect to be out of town between now and the closing date please remember to contact our office prior to leaving and provide us with an address and telephone number where you can be contacted or where we can at least leave a message for you. If you are going to be in transit such that we cannot contact you, would you please telephone our office three days prior to the date of closing and again on the date of closing just in case we have encountered some difficulties with respect to the closing that need your assistance.

Thank you

Thank you for choosing Giardino Law to assist you with the sale of your property. We appreciate your business and look forward to completing this transaction to your satisfaction. Please indicate that you understand and accept the legal fee, the work we will be doing for you, and my use of trust conditions to complete your sale by signing the enclosed copy of this letter and returning it to us.

If you have any questions in regards to any of the above or any concerns, please contact us.