

Guidelines For Offers Presented To  
Lang Michener LLP  
on behalf of Royal Bank of Canada

1. All offers must be provided to our offices by fax to the attention of **Sender**. We require a paper trail of all offers made, even if they collapse.

Offers that are not clearly legible are unacceptable. If there are several counters with the corresponding initials, keep the copies for your records, but create and have executed again a re-written, clean version of the contract for presentation to the court. The presiding judge or master must be able to easily read every word on the contract, and cannot be expected to infer any of its terms. If the contract is illegible or otherwise unclear due to fax transmission, have the contract re-written and executed again.

2. All offers must be left open for the vendor's acceptance at least until the close of the business on the day following our receipt of it.
3. All offers must provide that the deposit shall be:
  - (a) equal to or greater than 5% of the purchase price; and
  - (b) payable immediately on the vendor's acceptance of the offer.
4. Insert the following in Clause 7 of the Contract of Purchase and Sale:

**INCLUDING: "SOLD AS IS - WHERE IS"**  
**BUT EXCLUDING: "ALL CHATTELS - NON-FIXTURES"**

5. Clause 8, which provides as follows, *must be deleted* from all offers:

8. Viewed: The Property and all included items  
will be in substantially the same condition at the  
Possession Date as when viewed by the Buyer on  
\_\_\_\_\_, yr\_\_\_\_ .”

6. The vendor will not pay the cost of obtaining documentation from the strata corporation. All such costs must be paid by the buyer or realtor. The vendor will on request authorize the listing or selling agent to permit the strata corporation to release such documentation to the buyer or its agent. The vendor will not agree to provide any strata documentation;
7. Any represents or warranties concerning parking stalls, storage lockers or other amenities must be deleted from the offer.
8. The vendor will not agree to provide a survey certificate, and any reference to a survey certificate must be deleted from the offer.

9. Once all buyer's conditions are removed, we require copies of the addenda removing them *and the purchaser's deposit cheque*, together with the identity and telephone/telefax contact numbers of the purchaser's solicitor or notary.
10. The offer must CLEARLY state "**SUBJECT TO COURT APPROVAL.**" We require a minimum of 41 days following our receipt of proof of removal of the purchaser's final condition to obtain court approval. If the property is mortgagor- or tenant-occupied, there must be a **minimum** of 65 days following the purchaser's final condition removal and the completion date; 50 days is sufficient for vacant properties.
11. Because the subject property is to be sold via judicial foreclosure sale, the transfer will be effected by a court order approving the sale. We will prepare the application to the court, and the court order, using the purchasers' name(s) as set out in the contract of purchase and sale. Therefore, you must ensure that the purchaser's name(s) are correct and complete. The court order cannot be changed once obtained.

### **When Additional Offers Are Received**

If an offer collapses because purchaser subjects have not been removed within the agreed period, we will of course at that time entertain any new offers.

If, however, we have accepted an offer, we will **not** entertain any new offers unless the court has refused to approve the accepted offer. If, prior to the court application for approval of the accepted offer, you receive notice that another purchaser wishes to present an offer, you must advise the existing selling agent and all new interested party's intended selling agents to attend with their intended buyers at the date scheduled for court approval.

### **WE EXPECT YOU TO ATTEND AT THE COURT APPLICATION.**

If multiple offers are presented in court, the procedure in the court room is usually as follows:

1. We will generally advise the presiding judge or master that we are seeking an order approving the sale of a property, but another party is interested in also presenting an offer. The presiding judge or master will then generally order a process of sealed bids. In other words, both the original intended buyer and any other interested offerors are given an opportunity to consider their position and return to the court room at an appointed time on the same day with a final offer contained in a sealed envelope.
2. *It is the listing realtor's duty to ensure all other realtors are aware of the necessary terms to be included as per Royal Bank of Canada's addendum to the contract of purchase and sale.* All offers are ideally to be presented on substantially the same terms as the offer already before the Court (except for price), must have a fixed price that is higher than the price already before the Court (usually posted on the Chambers list in the courthouse or otherwise available in court registry records), and **MUST BE subject only to court approval.** The competing purchaser(s) must also be ready to deliver a **certified** deposit cheque immediately.

3. All the new offers are to be delivered to the petitioner's counsel in attendance at court. Counsel will might or might not have an opportunity to check the terms of each offer to ensure that they are all acceptable. Counsel will deliver all offers (other than the original offer if it has not been amended because it will already be before the court) in sealed envelopes to the presiding judge or master.
4. When the matter is recalled in Chambers, the sealed bids will be opened by the presiding judge or master and who may approve any one or none of them.

Generally speaking, if one or more of the offers presented is acceptable to the presiding judge or master, he or she will approve the highest offer or the one which will serve to generate the highest amount of net sale proceeds of sale to the foreclosing lender on completion. The court will not always disclose the particulars of all the offers presented, but will disclose the identity of the successful bidder if there is one.