



COURT FILE NUMBER 1901-03824

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE RECEIVERSHIP OF SURFACE PRO SERVICES INC., ATKINS KUNTZ CONSTRUCTION GROUP INC. and 2049829 ALBERTA INC.

PLAINTIFF ROYAL BANK OF CANADA

DEFENDANTS SURFACE PRO SERVICES INC., ATKINS KUNTZ CONSTRUCTION GROUP INC. and 2049829 ALBERTA INC.

DOCUMENT **THIRD REPORT OF THE COURT-APPOINTED RECEIVER AND MANAGER OF SURFACE PRO SERVICES INC., ATKINS KUNTZ CONSTRUCTION GROUP INC. AND 2049829 ALBERTA INC.**

**DATED NOVEMBER 25, 2019**  
**PREPARED BY DELOITTE RESTRUCTURING INC.**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

Counsel  
TORYS LLP  
525 – 8 Ave SW, 46 Floor  
Calgary, AB T2P 1G1

Attention: Kyle Kashuba  
Telephone/Facsimile: 403-776-3744 / 403-776-3800  
Email: [kkashuba@torys.com](mailto:kkashuba@torys.com)

Receiver  
Deloitte Restructuring Inc.  
700, 850 – 2<sup>nd</sup> Street SW  
Calgary, Alberta T2P 0R8

Attention: Ryan Adlington  
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Email: [radlington@deloitte.ca](mailto:radlington@deloitte.ca)

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## **APPENDIX**

Appendix "A" – Bill of Sale of the PEI Property

Appendix "B" - Unsigned Purchase and Sale Agreement between Ms. Cunningham and Deloitte Restructuring Inc. in its capacity as receiver and manager of Surface Pro Services Inc. and not in its personal capacity

## Introduction and background

1. Surface Pro Services Inc. ("**SPS**"), Atkins Kuntz Construction Group Inc. ("**AKC**") and 2049829 Alberta Inc. ("**204**") (collectively, the "**Companies**" or the "**Debtors**") are private companies incorporated in the Province of Alberta on February 16, 2011, September 11, 2012, and June 12, 2017, respectively. SPS performs landscaping and maintenance work for commercial and residential customers. AKC is a concrete company specializing in commercial and residential concrete formwork. 204 owned the land and building located at 8916 44 Street SE, Calgary, Alberta (the "**Real Property**"). SPS and AKC operated out of the yard, shop, and offices (the "**Premises**") located on the Real Property. SPS's and AKC's primary assets include concrete and landscaping equipment, vehicles, tools, accounts receivable, and the land and building located at 37 Anderson Road, St. Peter's, Prince Edward Island (the "**PEI Property**") (collectively, the "**Assets**").
2. The Companies' primary secured lender is the Royal Bank of Canada ("**RBC**") which was owed approximately \$3.27 million by the Debtors as at the Date of Receivership (defined later in this Third Report). RBC holds various registered security over the Assets and Real Property of SPS, AKC, and 204 (the "**RBC Security**") and is the first position secured creditor over the same. The Business Development Bank of Canada also holds registered security over the Assets of SPS and AKC, while Trisura Guarantee Insurance Company holds registered security over the accounts receivable, inventory, equipment, and motor vehicles of SPS.
3. On March 5, 2019, RBC demanded repayment of the loans and issued a notice of intention to enforce security pursuant to section 244(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended.
4. On March 15, 2019, RBC made an application to the Court of Queen's Bench of Alberta (the "**Court**") seeking appointment of Deloitte Restructuring Inc. ("**Deloitte**") as interim receiver over the Debtors (the "**Application**"). The Application was made due to RBC's concerns over the deterioration of the financial condition of the Companies, their inability to make payroll, and the conduct of Management (defined later in this Third Report). The Application was heard by the Honourable Justice K. Yamauchi, and ultimately, an Order was granted adjourning the Application to March 19, 2019 (the "**March 15, 2019 Order**").
5. The March 15, 2019 Order also required the Debtors to: i) provide RBC with proof that all goods and services tax ("**GST**") and payroll source deductions were remitted to the Canada Revenue Agency ("**CRA**") no later than the close of business on March 18, 2019; and ii) provide a list of employees and payroll amounts for the March 15, 2019 pay period.
6. The Debtors failed to provide all the required documentation noted in the March 15, 2019 Order, including but not limited to the proof that all GST and payroll source deductions were remitted to CRA, and on March 19, 2019 (the "**Date of Receivership**"), the Court granted an order (the "**Receivership Order**") appointing Deloitte as receiver and manager (the "**Receiver**") of all of the current and future assets, undertakings and properties of the Companies.
7. The Receivership Order, together with related Court documents and the notices sent to the creditors of the Companies have been posted on the Receiver's website (the "**Receiver's Website**") at <https://www.insolvencies.deloitte.ca/en-ca/Pages/Surface-Pro-et-al.-.aspx>. This Third Report will also be posted on the Receiver's Website after it has been filed with the Court.
8. The Receiver's independent legal counsel, Torys LLP ("**Torys**"), conducted an independent security review, and on April 22, 2019 opined on the validity, enforceability and priority of the RBC Security. This review concluded that RBC holds valid first ranking security over the Real Property and Assets of the Debtors, including the PEI Property held by SPS.

## Terms of Reference

9. In Preparing This Third Report, the Receiver has relied upon unaudited financial information prepared by the Debtors' management ("**Management**"), the Debtors' books and records, and discussions with Management. The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the information. The Receiver may refine or alter its observations as further information is obtained or brought to its attention after the date of this Second Report.
10. Unless otherwise provided, all other capitalized terms not defined in this Third Report are as defined in the First Report and the Second Report.
11. All dollar amounts in this Third Report are in Canadian dollars, unless otherwise indicated.

## Purpose

12. The purpose of this Third Report is to:

- a) Provide the Court with an update of the Receiver's activities since the filing of the Second Report;
- b) Provide the Court with additional information regarding the sale of the PEI Property; and
- c) Respectfully recommend that this Honourable Court:
  - i. Approve the activities of the Receiver as described in this Third Report, including without limitation, the steps taken by the Receiver pursuant to the Receivership Order and its mandate thereunder;
  - ii. Approve the amended sale of the PEI Property proposed by the Receiver, and authorizing and directing the Receiver to take all steps and actions reasonably necessary to implement, conduct and carry-out the sale; and
  - iii. Provide such further and other relief that the Court considers just and warranted in the circumstances.

## Update on the Receiver's activities

14. Since the Second Report, the Receiver has undertaken the following activities:

- a) Negotiated an extension of the closing date to provide Ms. Cunningham ample time to review and respond to the Receiver's correspondence regarding the PEI Property;
- b) Coordinated the winterizing of the PEI Property;
- c) Assumed responsibility of the related utility accounts for the PEI Property;
- d) Provided updated Statement of Receipts and Disbursements to Mr. Atkins as requested;
- e) Corresponded with legal counsel on various legal matters relating to the PEI Property;
- f) Corresponded with the Realtor on a number of occasions to discuss matters relating to the PEI Property as they arose;
- g) Reviewed receipts and disbursements of the receivership estate, and arranged for payment of various invoices;
- h) Corresponded with creditors and all other stakeholders;
- i) Updated the Receiver's website for relevant documents;
- j) Administered receivership estate banking and related transactions and reconciliations;
- k) Updated the Companies' insurance policy to remove coverage on assets sold at the Online Auction and requested a refund on the associated insurance premium;
- l) Followed up on several accounts receivable; and
- m) Addressed additional matters as they arose from time to time.

## PEI Property

15. The circumstances in which the Receiver discovered the existence of the PEI Property are set out in the Receiver's First Report to Court. Further, the subsequent steps taken by the Receiver to sell the PEI Property are set out in the Receiver's Second Report to the Court.
16. As noted in the Second Report, the Receiver previously proposed accepting the Amended MacDougall Offer as it would bring greater value to the receivership estate and would significantly reduce the Companies' indebtedness to RBC. In addition, the Receiver had been advised that the potential purchasers under the MacDougall Offer had discussed their offer and proposed handling of the Life Interest on numerous occasions with Ms. Cunningham. As at the date of the Second Report and despite the Receiver's best efforts, the Receiver had not been able to confirm this with Ms. Cunningham.
17. Subsequent to the filing of the Second Report and associated materials with the Court, Torys was contacted by Mr. Atkins' counsel ("**Mr. Bodnar**") on October 24, 2019 advising that he had been approached by Ms. Cunningham who would be opposing the Amended MacDougall Offer and would be seeking an adjournment of the Court hearing on October 25, 2019. It was unclear at this point if Mr. Bodnar is officially representing Ms. Cunningham in any capacity, and as at the date of this Report, it is unclear whether Ms. Cunningham is represented by any legal counsel.
18. Mr. Bodnar also asserted that the furniture and belongings located within the PEI Property had not been sold to SPS and were still owned by Ms. Cunningham. The Receiver disputed this assertion noting that the Bill of Sale executed by Ms. Cunningham on April 26, 2016 specified that the sale included "all permanent fixtures and appurtenances attached to and belonging to the property as viewed including light fixtures, wall to wall carpet, curtain rods, drapery hardware, blinds, and building appliances, and all contents of the cottage." A copy of the Bill of Sale is attached hereto as Appendix "**A**".
19. Following extensive discussions between the Receiver, Torys and RBC's counsel, the Receiver submitted a proposal to Ms. Cunningham with a purchase price of \$95,000 (the "**Cunningham Settlement**") to settle any outstanding claims and to enable her to re-purchase the PEI Property from SPS, through the Receiver. A copy of the unsigned purchase and sale agreement is attached hereto as Appendix "**B**".
20. Under the terms of the Cunningham Settlement, the purchase consideration paid by Ms. Cunningham would be less than the Amended MacDougall Offer of \$150,400 and greater than the calculated purchase price under Ms. Cunningham's alleged ROFR (approximately \$40,000), which the Receiver had previously disputed in respect of its validity and enforceability.
21. The Receiver confirmed that the ROFR was not registered on title to the PEI Property, and as such, it is the Receiver's position that the ROFR is of no force and effect as confirmed by local legal counsel in Prince Edward Island that was retained to investigate, amongst other things, the validity and enforceability of the ROFR. Upon further investigation, the Receiver confirmed that a Life Interest in favour of Ms. Cunningham was registered on title of the PEI Property.
22. On the morning of October 25, 2019, Torys was advised by Mr. Bodnar that Ms. Cunningham had accepted the Cunningham Settlement and the settlement consideration was paid into the Torys' trust account on or about November 1, 2019.
23. Accepting the Cunningham Settlement would resolve any issues related to the ROFR and the Life Interest registered on the PEI Property and would reduce the costs that would likely be incurred by the Receiver in seeking to complete the sale contemplated under the Amended MacDougall Offer

amidst Ms. Cunningham's objections. RBC, who is expected to suffer a significant shortfall to its debt, has agreed to the Cunningham Settlement. It is the Receiver's opinion that the Cunningham Settlement, given the Life Interest and alleged ROFR, will maximize the recovery from the sale of the PEI Property and should be approved by the Court.

## Conclusions and recommendations

24. Based on the foregoing, the Receiver respectfully requests the Court grant an Order:

- a) Approving the reported actions of the Receiver to date in respect of administering these receivership proceedings;
- b) Approving the sale of the PEI Property and the actions taken by the Receiver with respect to the sale of the PEI Property as outlined in this Third Report; and
- c) Providing such further or other relief that the Court considers just and warranted in the circumstances.

\* \* \*

All of which is respectfully submitted at Calgary, Alberta this 25<sup>th</sup> day of November, 2019.

**DELOITTE RESTRUCTURING INC.,**

solely in its capacity as Court-appointed Receiver and  
Manager of Surface Pro Services Inc., Atkins Kuntz  
Construction Group Inc. and 2049829 Alberta Inc.,  
and not in its personal or corporate capacity

Per: 

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Ryan Adlington, CPA, CA, CIRP, LIT  
Senior Vice-President

Appendix "A"

**ABSOLUTE BILL OF SALE**

**TO: SURFACE PRO SERVICES INC.**

**WHEREAS** by Agreement, **Olive Cunningham** agreed to sell the residential property located at 37 Anderson Road, St. Peters, in Kings County, Province of Prince Edward Island, being Provincial Property Number **886747**, and the sale includes some household chattels.

**NOW THEREFORE WITNESSETH** that in consideration of the premises and of your completing the Agreement of Purchase and Sale, the undersigned now sells and assigns to **Surface Pro Services Inc.**, its heirs, administrators, executors and assigns forever, the following goods and chattels:

*all permanent fixtures and appurtenances attached to and belonging to the property as viewed including light fixtures, wall to wall carpet, curtain rods, drapery hardware, blinds, and built-in appliances, and all contents of the cottage.*

**THE** undersigned covenants with **Surface Pro Services Inc.** that she is rightly and absolutely possessed of these said chattels, that she has the right to sell the said chattels to **Surface Pro Services Inc.**, and the said chattels are free and clear of all encumbrances.

**IN WITNESS WHEREOF** **Olive Cunningham** has executed this Bill of Sale at Calgary, Province of Alberta, this 26 day of April, A.D. 2016.

) *Olive Cunningham*  
) **OLIVE CUNNINGHAM**  
)  
)  
)  
)  
)  
)

\_\_\_\_\_  
**A NOTARY PUBLIC IN AND  
FOR THE PROVINCE OF  
ALBERTA.**

**TERRY V. LLOYD  
BARRISTER & SOLICITOR**

Appendix "B"

Address 37 Anderson Road St. Peter's C0A2A0

This **Schedule** is attached to and forms part of the Agreement between:

**The Buyer** Olive Cunningham

And

**The Seller** Deloitte Restructuring Inc

*in its capacity as court appointed receiver and manager of Surface Pro Services Inc. & not in its personal capacity.*

for the purchase and sale of

**REAL PROPERTY:**

Address 37 Anderson Road St. Peter's C0A2A0

and being parcel 886747 or part of parcel number \_\_\_\_\_

dated the 22 day of November, 2019 ("this Agreement").

The Parties agree that this Agreement is subject to the following terms and conditions:

[Empty rectangular box for terms and conditions]

- 1. FINANCING:** This Agreement is conditional upon the Buyer obtaining financing on or before 5 p.m. the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, (the "Financing Deadline") at his or her own expense. Unless the Buyer provides written confirmation to the Seller, in accordance with this Agreement and not later than the Financing Deadline, that this condition has been fulfilled this Agreement shall become null and void and the deposit shall be returned to the Buyer in full without interest or penalty. This condition is inserted for the benefit of the Buyer and may be waived at the Buyer's sole option by notice in writing to the Seller, as aforesaid, before the Financing Deadline.
- 2. HOME INSPECTION:** This Agreement is conditional upon a home inspection being carried out, satisfactory to the Buyer, on or before 5 p.m. the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (the "Inspection Deadline"). Unless the Buyer provides written confirmation to the Seller, in accordance with this agreement, not later than the Inspection Deadline that this condition is fulfilled, this Agreement shall become null and void and the deposit shall be returned to the Buyer in full without any interest or penalty. The Seller hereby agrees to provide reasonable access to the Property, if necessary, for any inspection of the Property required for the fulfillment of this condition. This condition is inserted for the benefit of the Buyer and may be waived at the Buyer's sole option by notice in writing to the Seller, as aforesaid, before the Inspection Deadline.
- 3. PROPERTY INSURANCE:** This Agreement is conditional upon the Buyer arranging insurance for the Property satisfactory to the Buyer in his or her sole discretion on or before 5 p.m. the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (the "Insurance Deadline"). Unless the Buyer provides written confirmation to the Seller, in accordance with this Agreement, not later than the Insurance Deadline that this condition is fulfilled, this Agreement shall become null and void and the deposit shall be returned to the Buyer in full without interest or penalty. The Seller hereby agrees to provide reasonable access to the Property, if necessary, for any inspection of the Property required for the fulfillment of this condition. This condition is inserted for the benefit of the Buyer and may be waived at the Buyer's sole option by notice in writing to the Seller, as aforesaid, before the Insurance Deadline.
- 4. FUEL TANK:** The Seller shall replace, at the Seller's expense, the fuel tank(s) on the Property if written confirmation that the Buyer's insurance company has deemed the fuel tank(s) not insurable is provided by the Buyer to the Seller, in accordance with this Agreement, before the Insurance Deadline. Any oil tank is to have been inspected and any vent pipe tagged in accordance with provincial regulations at the Seller's expense.

Sellers Initials  
Buyers Initials

PID# 886747

Address 37 Anderson Road

St. Peter's

C0A2A0

5. **SALE OF THE PURCHASERS PROPERTY:** This Agreement is conditional upon the unconditional sale of the Buyer's property located at \_\_\_\_\_ or before 5 p.m. the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_ (the "Sale Deadline"). If this condition is not met by the Sale Deadline, this Agreement shall become null and void and the deposit shall be returned to the Buyer in full without interest or penalty. Provided further that until the Sale Deadline the Seller may continue to list the Property for sale and in the event that the Seller receives another offer that is acceptable to him or her (the "Second Offer"), the Seller shall notify the Buyer or the Buyer's agent in writing that the Buyer has \_\_\_\_\_ hours from the time of receipt of such notice to waive this condition by written notice, in accordance with this Agreement, failing which the Seller shall be at liberty to accept the Second Offer, and this Agreement shall be null and void and the Buyer's deposit shall be returned in full without interest or penalty.
6. **WATER QUALITY TEST REPORT:** This Agreement is conditional upon the Seller providing a Water Quality Test Report from the Environment Division of the Prince Edward Island Department of Communities, Land and Environment, or the successor thereto, confirming that the drinking water at the Property meets the recommended health standards for the Government of Canada with respect to bacteriological and chemical analysis (a "Clear Test") to the Buyer before the Completion Date. Should the Water Quality Test Report not meet the Government of Canada recommended health standards, the Seller may perform such work at his or her expense as may be required to obtain a Clear Test. If the Seller is not able to obtain a Clear Test prior to the Completion Date, this Agreement shall be null and void and the Buyer's deposit money shall be returned in full without interest or penalty. The Seller shall ensure that all water tests are sampled by a third party who does not have a vested interest in the sale of the Property.
7. **SEPTIC SYSTEM:** This Agreement is subject to the Buyer having the septic system on the Property pumped and inspected, at his or her expense, not later than 5pm on the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_ (the "Septic Inspection Date"). The Seller shall ensure that the septic tank cover is accessible and exposed for pumping. The Buyer will give the Seller 48 hours' notice of the date and time that the pumping and inspection will take place. Unless the Buyer provides written confirmation to the Seller in accordance with this Agreement, not later than the Septic Inspection Date, that this condition is fulfilled, this Agreement shall become null and void and the deposit shall be returned to the Buyer in full without interest or penalty. This condition is included for the benefit of the Buyer and may be waived at the Buyer's sole option by notice in writing to the Seller before the Septic Inspection Date.
8. **PROPERTY CONDITION DISCLOSURE STATEMENT ["PCDS"]** Buyer to select and initial one below:
- The Buyer acknowledges receiving a current and signed copy of the Property Condition Disclosure Statement ("PCDS") from the Seller and is hereby deemed to be satisfied with the contents thereof. The PCDS is attached to \_\_\_\_\_ and forms part of this Agreement. *Buyer[s] Initials* \_\_\_\_\_
- The Buyer **did not** receive a current and signed copy of the *Property* Condition Disclosure Statement ("PCDS") from the Seller. *Buyer[s] Initial[s]:* \_\_\_\_\_

Dated at \_\_\_\_\_ this \_\_\_\_\_ day of November \_\_\_\_\_ 20 19

Witness \_\_\_\_\_  Buyer

Witness \_\_\_\_\_ Buyer

Dated at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_\_

Witness \_\_\_\_\_ Seller

Witness \_\_\_\_\_ Seller

Address 37 Anderson Road St. Peter's C0A2A0

This Agreement of Purchase and Sale dated this 22 day of November 2019

**BUYER** Olive Cunningham ("the Buyer"), agrees to  
(Full legal names of all Buyers)

purchase from  
**SELLER** Deloitte Restructuring Inc ("the Seller"), the following  
(Full legal names of all Sellers)

**REAL PROPERTY:**

Address 37 Anderson Road St. Peter's C0A2A0

and being parcel number 886747 or part of parcel number \_\_\_\_\_ [complete one] (the "Property")

**PURCHASE PRICE:** Ninety-Five Thousand Dollars (CDN) \$95,000.00  
Dollars (CDN) (the "Purchase Price").

**HST:** If the sale of the Property is subject to Harmonized Sales Tax ("HST"), then such tax shall be

- included in** \_\_\_\_\_ The Seller's Initials \_\_\_\_\_ The Buyer's Initials   
 **in addition to** \_\_\_\_\_ The Seller's Initials \_\_\_\_\_ The Buyer's Initials  
 **to be determined** \_\_\_\_\_ The Seller's Initials \_\_\_\_\_ The Buyer's Initials

the Purchase Price. If the sale of the Property is not subject to HST, the Seller agrees to certify on or before closing that the sale of the Property is an exempt supply under the Excise Tax Act (Canada). Any HST on chattels, if applicable, is not included in the Purchase Price.

**DEPOSIT:** The Buyer submits herewith/upon acceptance [select one] \_\_\_\_\_ Dollars (CDN) by legal tender payable to the agent of the Seller COLDWELL BANKER PARKER REALTY (the "Seller's Agent") to be held in trust pending completion or other termination of this Agreement and to be credited toward the Purchase Price on completion. For the purposes of this Agreement, "Upon Acceptance" shall mean that the Buyer is required to deliver the deposit to the Seller's Agent within \_\_\_\_\_ hours of the acceptance of this Agreement, failing which this Agreement shall become null and void. The Parties to this Agreement hereby acknowledge that, unless otherwise provided for in this Agreement, the Seller's Agent shall place the deposit in trust in the Seller's Agent's non-interest bearing real estate trust account and no interest shall be earned, received or paid on the deposit.

**The Buyer agrees to pay the balance of the Purchase Price on the acceptance of title and delivery of conveyance.**

**The Buyer is aware that land transfer tax may be applicable to this transaction pursuant to the Real Property Transfer Tax Act of Prince Edward Island.**

**SCHEDULE(S) A and Agency Disclosure attached hereto are incorporated herein by reference and form part of this Agreement.**

1. **COMPLETION DATE:** This Agreement shall be completed on or before 5 p.m. [AST] the 30 day of December, 2019 (the "Completion Date"). Upon completion, vacant possession of the Property shall be given to the Buyer unless otherwise provided for in this Agreement.

2. **PRECLOSE VIEWING:** The Buyer shall have the right to conduct a pre-closing viewing of the Property at 37 Anderson Road St. Peter's C0A2A0 the \_\_\_\_\_ day \_\_\_\_\_, 20\_\_\_\_. The Seller agrees to provide access to the Property for the purpose of this viewing.

Sellers Initials \_\_\_\_\_  
Buyers Initials \_\_\_\_\_

PID# 886747

Address 37 Anderson Road

St. Peter's

C0A2A0

3. **FIXTURES/CHATELS:** Unless otherwise stated in this Agreement, the chattels and the fixtures being transferred as part of this Agreement are the property of the Seller and the Seller agrees to convey all chattels and fixtures included in the Purchase Price free from all liens, encumbrances or claims affecting the said fixtures and chattels. The Purchase Price includes all permanent fixtures and appurtenances attached to and belonging to the Property as viewed on \_\_\_ day of \_\_\_\_\_, 20\_\_ including, but not limited to, light fixtures, wall-to-wall carpet, curtain rods, drapery hardware, blinds, television wall mounts and built-in appliances as well as the following chattels
4. **RENTAL/LEASED ITEMS:** The following chattels and/or equipment are rented or leased and not included in the Purchase Price. The Buyer may assume the rental/lease contract(s), in his or her sole discretion, for the following chattels and/or equipment, if assumable, and where applicable the Buyer agrees to co-operate and execute such documentation as may be required to facilitate such assumption:
5. **TITLE SEARCH:** The Buyer shall be allowed until 5 p.m. the \_\_\_ day of \_\_\_\_\_, 2019 [the "Requisition Date"] to examine the title to the Property at the Buyer's own expense. If, within that time, any valid objection to title is made in writing to the Seller, his or her solicitor or agent, which the Seller shall be unable or unwilling to remove within \_\_\_ days, and which the Buyer will not waive, or it is discovered by the Buyer that the present use of the property cannot be lawfully continued, at the option of the Buyer this Agreement shall, notwithstanding any intermediate acts or negotiations in respect of such objections, be null and void, and the deposit shall be returned to the Buyer. Save as to any valid objections made by the Buyer within such time, the Buyer shall be conclusively deemed to have accepted the Seller's title to the Property. The Seller hereby agrees to provide, upon request, documentation from the municipality or any other governmental agency affecting the Property as the Buyer may reasonably require.
6. **FUTURE USE:** Unless specifically provided for in this Agreement, the Seller and the Buyer agree that there is no representation or warranty of any kind that the intended use of the Property by the Buyer is or will be lawful.
7. **DOCUMENTS:** The Buyer 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 Seller. If requested by the Buyer, the Seller will deliver any sketch, plot plan, surveyor's certificate or survey of the Property within the Seller's control to the Buyer as soon as possible and prior to the Requisition Date but will not guarantee its use.
8. **INSURANCE:** All buildings on the Property and all other items being purchased under this Agreement shall be and remain until completion at the risk of the Seller. Pending completion, the Seller shall hold all insurance policies, if any, including any proceeds thereof, in trust for the Parties as their interests may appear and in the event of material damage to the Property the Buyer, in his or her sole discretion, may terminate this Agreement and have all monies paid returned without interest or deduction, or accept the proceeds of any insurance and complete the purchase.
9. **DOCUMENT PREPARATION:** The conveyance of the Property which is the subject of this Agreement shall be by a deed with the usual statutory covenants on Prince Edward Island form, drawn at the expense of the Buyer to be delivered by the Seller on payment of the Purchase Price on the Completion Date. The Property is to be conveyed free of all liens and encumbrances. The Seller will ensure, at the time of closing, that the provisions of the *Family Law Act* of Prince Edward Island have been satisfied.

\_\_\_\_\_  
Sellers Initials

\_\_\_\_\_  
Buyers Initials

PID# 886747

Address 37 Anderson Road

St. Peter's

C0A2A0

- 10. RESIDENCY:** In the event the Seller is a non-resident of Canada the Seller shall obtain and provide to the Buyer a non-resident certificate of compliance from Canada Revenue Agency (the "Certificate of Compliance") in accordance with the provisions of the Income Tax Act of Canada.
- 11. ADJUSTMENTS:** Any rents, deposits, mortgage interest, realty taxes including local improvement rates and public or private utility charges, and cost of fuel, as applicable, shall be adjusted on the Completion Date.
- 12. PROPERTY ASSESSMENT:** Each of the Buyer and the Seller hereby acknowledges that the Property may be re-assessed retroactively for determining property taxes payable on the Property. Each of the Buyer and the Seller agree that no claim will be made against the other, or any brokerage, broker or salesperson, for any changes in the amount of the property tax as a result of a re-assessment of the Property, save and except for the amount of any property taxes that accrued prior to the Completion Date.
- 13. TIME LIMITS:** Time shall in all respects be of the essence hereof provided that the time for doing or completing any matter provided for herein may be extended or abridged by agreement in writing signed by the Seller and the Buyer or by their respective lawyers.
- 14. TENDER:** Any tender of documents or money hereunder may be made upon the Seller or the Buyer or their respective lawyers. Money shall be tendered by certified cheque, bank draft, wire transfer or lawyer's trust cheque.
- 15. UFFI/ASBESTOS:** The Seller represents and warrants to the Buyer that during the time the Seller has owned the Property the Seller has not caused any building on the Property to be insulated with insulation containing urea formaldehyde and/or asbestos, and that to the best of the Seller's knowledge no building on the Property contains or has ever contained insulation that contains urea formaldehyde and/or asbestos. This warranty shall survive the completion of this transaction. If the Property is part of a multiple unit building, this warranty shall only apply to that part of the building which is the subject of this transaction.
- 16. LEGAL, ACCOUNTING AND ENVIRONMENTAL ADVICE:** The Parties acknowledge that any information provided by their respective brokerages is not legal, tax or environmental advice.
- 17. AGREEMENT IN WRITING:** If there is conflict or discrepancy between any provisions added to the standard form of this Agreement (including in any Schedule and/or Property Condition Disclosure Statement attached hereto) and the provision as contained in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement shall constitute the entire Agreement between the Buyer and the Seller. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein. For the purposes of this Agreement, the Seller means the Seller and the Buyer means the Buyer. This Agreement shall be read with all changes of gender or number required by the context.
- 18. TIME AND DATE:** Any reference to a time and date in this Agreement shall mean the time and date where the Property is located.
- 19. SUCCESSORS AND ASSIGNS:** The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein.
- 20. PERIOD FOR ACCEPTANCE:** This offer shall be open for acceptance until \_\_\_\_\_ p.m. on the \_\_\_\_\_ day of \_\_\_\_\_, 2019 after which time, if not accepted, this offer shall be null and void and the deposit shall be returned to the Buyer in full without interest (if applicable).

\_\_\_\_\_ Sellers Initials

\_\_\_\_\_ Buyers Initials

PID# 886747

Address 37 Anderson Road

St. Peter's

C0A2A0

**21. NOTICES:** The Seller hereby appoints the Listing Brokerage as agent for the Seller for the purpose of giving and receiving notices pursuant to this Agreement. Where a separate brokerage has entered into a representation agreement with the Buyer (the "Selling Brokerage"), the Buyer hereby appoints the Selling Brokerage as agent for the Buyer for the purpose of giving and receiving notices pursuant to this Agreement. Where a brokerage represents both the Seller and the Buyer (dual agency), the Listing Brokerage shall be appointed and authorized to act as agent for both the Buyer and the Seller for the purpose of giving and receiving notices. Unless otherwise expressly provided for herein, any notice relating hereto or provided for herein shall be in writing. In addition to any provision contained herein including in any Schedule hereto, this offer, any counter-offer, notice of acceptance thereof or any notice to be given or received pursuant to this Agreement (any of them, "Document") shall be deemed given and received when delivered personally to the Address for Service below during normal business hours or, where a facsimile number or email address is provided herein, when transmitted electronically to that facsimile number during normal business hours or by email anytime, and in either case, the signature(s) of the party (parties) on the electronically transmitted documents shall be deemed to be original.

FAX No. \_\_\_\_\_  
(For delivery of Documents to the Seller Representative)

FAX No. (902) 838-5082  
(For delivery of Documents to the Buyer Representative)

Email Address: \_\_\_\_\_  
(For delivery of Documents to the Seller Representative)

Email Address: sharon@parkerrealty.ca  
(For delivery of Documents to the Buyer Representative)

Address for Service: c/o Gene Bodnar  
\_\_\_\_\_  
(For delivery of Documents to the Seller Representative)

Address for Service: 530 MAIN STREET  
MONTAGUE  
C0A 1R0  
(For delivery of Documents to the Buyer Representative)

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I/we have hereunto set my hand and seal:

\_\_\_\_\_  
(Witness)

\_\_\_\_\_  
(the Buyer)

X DATE: \_\_\_\_\_

\_\_\_\_\_  
(Witness)

\_\_\_\_\_  
(the Buyer)

DATE: \_\_\_\_\_

*To be completed by the listing agent, if applicable:*

The undersigned accepts the above offer and agrees with the agent named below to pay him on the Completion Date the commission agreed to pursuant to the listing agreement plus applicable HST or 6% which commission and applicable HST may be deducted from the deposit, in consideration for his or her services in procuring the said Offer, and hereby irrevocably instructs his or her solicitor to pay directly to the Agent any unpaid balance of commission from the proceeds of this sale.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I/we have hereunto set my hand and seal:

\_\_\_\_\_  
(Witness)

\_\_\_\_\_  
(the Seller)

DATE: \_\_\_\_\_

\_\_\_\_\_  
(Witness)

\_\_\_\_\_  
(the Seller)

DATE: \_\_\_\_\_

\_\_\_\_\_  
Sellers Initials  
\_\_\_\_\_  
Buyers Initials

PID# 886747

+

Address 37 Anderson Road St. Peter's C0A2A0

**REJECTION:** I hereby confirm this offer was presented and rejected at \_\_\_\_\_ a.m./p.m. this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I/we have hereunto set my hand and seal:

\_\_\_\_\_  
(Witness) \_\_\_\_\_ (the Seller/the Buyer) Date: \_\_\_\_\_

\_\_\_\_\_  
(Witness) \_\_\_\_\_ (the Seller/the Buyer) Date: \_\_\_\_\_

**COUNTER OFFER:** I hereby provide a counter offer to this Agreement dated the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I/we have hereunto set my hand and seal:

\_\_\_\_\_  
(Witness) \_\_\_\_\_ (the Seller/the Buyer) Date: \_\_\_\_\_

\_\_\_\_\_  
(Witness) \_\_\_\_\_ (the Seller/the Buyer) Date: \_\_\_\_\_

**LAWYER[S] INFORMATION**

<b>Seller Lawyer:</b> _____
Telephone: _____ Fax: _____ Email: _____
<b>Buyer Lawyer:</b> _____
Telephone: _____ Fax: _____ Email: _____

**INFORMATION ON BROKERAGE[S]**

<b>Listing Brokerage:</b> <u>COLDWELL BANKER PARKER REALTY</u>
Telephone: <u>902-969-3869</u> Fax: <u>(902) 838-5082</u> Email: <u>sharon@parkerrealty.ca</u>
<b>Selling Brokerage:</b> <u>COLDWELL BANKER/PARKER REALTY MONTAGUE</u>
Telephone: <u>(902) 838-2888</u> Fax: <u>(902) 838-5082</u> Email: <u>sharon@parkerrealty.ca</u>

## What is Agency?

A law agency is a specific relationship between two or more people. One person must authorize the other person to act on his/her behalf, and the other person must consent to do so.

In other words, when you authorize a REALTOR® to work for you in buying or selling a property, and the REALTOR® agrees, you and the REALTOR® are in an agency relationship.

As a member of the public, you are probably familiar with individual REALTORS®. However, the agency relationship is actually between you and the REALTOR®'s brokerage. The Brokerage is the real estate company, its branch offices and all of its salespeople.

Therefore, when you hire your REALTOR®, he agency law says that you hire the entire brokerage.

In PEI, REALTORS® practice four different forms of agency:

- Sellers Agency
- Buyers Agency
- Limited Dual Agency
- Customer Status

*I / we acknowledge having received and read this brochure and agree to the limitations of dual agency set out herein.*

From Cathal & Bowen Bank Realty  
Real Estate Company

Dated \_\_\_\_\_, 20\_\_\_\_

Signature

Witness

## Questions and Answers

1. Can I still list on MLS®?  
Yes! Most homes are sold through an information exchange system developed by REALTORS® called the Multiple Listing Service or MLS®. In PEI MLS® systems deem all REALTORS® who are not in an Exclusive Seller Agency relationship with the seller to be in a buyer Agency relationship with the buyer and acting as that buyer's REALTOR® an honest representation of a buyer's offer to purchase.
2. Am I in an agency relationship when I look through a public Open House?  
You are not in an agency relationship or Limited Dual Agency until you and the REALTOR® establish a working relationship.
3. If the seller's REALTOR® is working for the seller, can I trust what he/she tells me about the property.  
The seller's REALTOR® is bound by provincial legislation to treat all parties to a transaction honestly and fairly. A buyer can expect competent service, knowing the seller's REALTOR® is bound by ethics and law to be honest and thorough in representing the property for sale. A buyer can also expect from a seller's REALTOR® disclosure of pertinent information about a property, assurance that nothing about the property will be misrepresented and honest answers to all questions about the property.

## Honesty and Integrity

The term Realtor® refers to real estate professionals in Canada who are members of the Canadian Real Estate Association (CREA) and who subscribe to a high standard of professional service and to a strict Code of Ethics.

As well, most real estate professionals in our province are members of the PEI Real Estate Association (PEIRA) and through this membership are members of CREA. In PEI, only members of PEIRA can call themselves REALTORS®.

When you deal with a REALTOR®, you can expect not only a strict adherence to provincial laws, but also adherence to a Code of Ethics. That Code is very important to you, because it assures that you will receive a high standard of professional service, honesty and integrity.

One of the ethical obligations embodied in the Code requires that Realtors® disclose who they are representing in a real estate transaction.

### Article 3

"A Realtor® shall fully disclose in writing to, and is advised to seek written acknowledgement of disclosure from, all parties to a transaction regarding the role and the nature of service the Realtor® will be providing to the client versus the customer or other party to the transaction. The Realtor® shall also disclose his or her role to other Realtors® involved in the transaction."

# Agency Disclosure

## Taking the Guesswork Out of Agency Relationships

Realtors® work within a framework of legal principles called agency. Realtors® believe that it is important that the buying and selling public understand how an agency relationship works and when it exists.

This brochure defines agency and explains the agency duties you can expect from a REALTOR®.

It serves as a prelude to any agency agreement you will enter into with a REALTOR®.

It will enable you to be a better informed consumer of REALTOR® services.

Approved by the  
PEI Real Estate Association

If you have any questions about the contents of this form, contact or talk to the REALTOR® with whom you are dealing.

### Seller's Agency

In Seller's Agency, a real estate company represents only the interest of the seller. Sellers typically hire a real estate company to sell their property by signing a "listing" agreement (now called the Exclusive Seller's Brokerage Contract). This is the contract which establishes the formal agency relationship between the seller and the real estate brokerage.

The Exclusive Seller's Brokerage Contract will explain exactly what the seller instructs the Seller's Brokerage to do, what services the Seller's Brokerage will provide to the seller, who will pay for those services and what obligations the seller will have.

A Seller's Brokerage is expected to:

- Obey the seller's instructions on the Exclusive Seller's Brokerage Contract and all lawful instructions of the seller.
- Represent the Seller's interests.
- Fully disclose known facts, which might influence the seller's decisions.
- Maintain the confidentiality of personal and financial information discussed with the seller's even after the Brokerage Contract expires.
- Maintain the confidentiality of personal and financial information discussed with the seller even after the Exclusive Buyer's Brokerage Contract expires.
- Safeguard the seller's documents and money.
- Exercise reasonable care and diligence.

### Buyer's Agency

In Buyer's Agency, a real estate company (brokerage) represents only the interests of the buyer. Buyer's Agency can be established by working with a Realtor® or by a written contract between the buyer and the brokerage called in Exclusive Buyer's Brokerage Contract.

The Exclusive Buyer's Brokerage Contract will explain what the buyer instructs the Buyer's Brokerage to do, what services the Buyer's Brokerage will provide to the buyer, who will pay for those services and what obligation the buyer will have.

In Buyer's Agency, it is the buyer who can expect the REALTOR® to:

- Obey the buyer's instructions on the Exclusive Buyer's Brokerage Contract and all lawful instructions of the buyer.
- Represent the buyer's best interests.
- Fully disclose known facts, which might influence the buyer's decision.
- Maintain the confidentiality of personal and financial information discussed with the buyer even after the Exclusive Buyer's Brokerage Contract expires.
- Safeguard the buyer's documents and money.
- Exercise reasonable care and diligence.

### Limited Dual Agency

Dual Agency occurs when the same REALTOR® acts for both the buyer and the seller on the sale of a property. It also occurs when different REALTORS® work for the buyer and seller if those REALTORS® are employed by the same real estate company (brokerage) even if they work at different branch offices of that brokerage.

When Dual Agency occurs, the brokerage's duties of confidentiality and loyalty to the seller conflict with the same duties to the buyer. Therefore, the Real Estate Association has proposed certain rules and limitations to deal with Dual Agency which are:

- That the REALTOR® will not disclose that the buyer will pay a price or agree to terms other than those contained in the offer, or that the seller will accept a price or terms other than Brokerage Contract.
- That the REALTOR® will not disclose the motivation of the buyer to buy or the seller to sell unless authorized by the buyer or seller. That the REALTOR® will not represent the interest of either the buyer or seller to the advantage of one over the other.
- That the REALTOR® will not disclose personal information or financial information of either the buyer or the seller unless authorized in writing.
- The REALTOR® shall disclose to the buyer all material defects about the physical condition of the property known to the REALTOR®.

The brokerage shall disclose the Dual Agency to the buyer immediately before preparing an offer (Contract of Purchase and Sale) on the property for signing by the buyer. The brokerage shall disclose the Dual Agency to the seller immediately before presenting that offer Contract of Purchase and Sale to the seller for acceptance. The brokerage shall not be obligated to disclose the Dual Agency before the times described above.

### Professional Services

Through your agency relationship with a REALTOR® you can expect service which is loyal to your interests, obedient to your instructions, confidential, accountable, honest and forthcoming when dealing with you and others. A REALTOR® can provide you with a variety of valuable market information and assistance in the decision making process of buying or selling real estate including, but not limited to, the following.

Use a REALTOR® who you need:

- Explanations on:
  - real estate terms and practices
  - the correct usage of contracts
  - lenders and their policies
  - costs involved in a real estate transaction

Help:

- to establish fair market value of your property
- effectively market your property
- to know your range of affordability
- to obtain information about properties for sale and the details on zoning, taxes, heating costs, square footage and comparative values
- to select properties to view
- to view properties
- to prepare contracts of purchase and sale and counter contracts
- to negotiate on your behalf

### Customer Status

As a Real Estate professional's "Customer", you are really representing yourself in the selling or buying process from a legal and a practical point of view. The real estate professional can provide you with pertinent market data, can show you properties, and can give you general information regarding financial, promotion, offer preparation and the closing process. But, as a "Customer", the real estate professional will not be representing your interests. The real estate professional is required to treat a "Customer" fairly and honestly, and exercise skill and care in answering questions. With "Customer Status" you do not disclose any information that might compromise your bargaining position (e.g. highest amount you would probably pay as a buyer, the lowest amount you would accept as a seller.)

X  Initials

Privacy clause:  
"The Buyer consents to the collection, use and disclosure of personal information by the broker for such purposes that relate to the real estate services provided by the broker to the buyer including, but not limited to:  
i) location, accessing and qualifying properties for the buyer;  
ii) advertising on behalf of the buyer;  
iii) Providing information as needed to third parties retained by the buyer to assist in a transaction (e.g. financial institutions, building inspectors, etc.); and  
iv) such other use of the buyer's information as is consistent with the services provided by the broker in connection with the purchase or prospective purchase of the property."  
The buyer agrees that the sale and related information regarding any property purchased by him/her through the broker may be retained and disclosed by the broker and/or the board for reporting, appraisal and statistical purposes.

# Individual Identification Information Record

NOTE: An Individual Identification Information Record is required by the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*. This Record must be completed by the REALTOR® member whenever they act in respect to the purchase or sale of real estate. It is recommended that the Individual Identification Information Record be completed:

- (i) for a buyer when the offer is submitted and/or a deposit made, and
- (ii) for a seller when the seller accepts the offer.

Transaction Property Address: 37 Anderson Road, St. Peters

Sales Representative/Broker Name: COA: 2AO Sharon Riley, Caldwell Banker Parker Realty

X Date Information Verified/Credit File Consulted: .....

## A. Verification of Individual

NOTE: One of Section A.1, A.2. or A.3 must be completed for your individual clients or unrepresented individuals that are not clients, but are parties to the transaction (e.g. unrepresented buyer or seller). Where you are unable to identify an unrepresented individual, complete section A.4 and consider sending a Suspicious Transaction Report to FINTRAC if there are reasonable grounds to suspect that the transaction involves the proceeds of crime or terrorist activity. Where you are using an agent or mandatary to verify the identity of an individual, see procedure described in CREA's materials on REALTOR Link®.

1. Full legal name of individual: .....
2. Address: .....
3. Date of Birth: .....
4. Nature of Principal Business or Occupation: .....

### A.1 Federal/Provincial/Territorial Government-Issued Photo ID

Ascertain the individual's identity by comparing the individual to their photo ID. The individual must be physically present.

1. Type of Identification Document\*: .....
2. Document Identifier Number: .....
3. Issuing Jurisdiction: .....
4. Document Expiry Date: .....

Country: .....

### A.2 Credit File

Ascertain the individual's identity by comparing the individual's name, date of birth and address information above to information in a Canadian credit file that has been in existence for at least three years. If any of the information does not match, you will need to use another method to ascertain client identity. Consult the credit file at the time you ascertain the individual's identity. The individual does not need to be physically present.

1. Name of Canadian Credit Bureau Holding the Credit File: .....
2. Reference Number of Credit File: .....

### A.3 Dual ID Process Method

1. Complete two of the following three checkboxes by ascertaining the individual's identity by referring to information in two independent, reliable, sources. Each source must be well known and reputable (e.g., federal, provincial, territorial and municipal levels of government, crown corporations, financial entities or utility providers). Any document must be an original paper or original electronic document (e.g., the individual can email you electronic documents downloaded from a website). Documents cannot be photocopied, faxed or digitally scanned. The individual does not need to be physically present.

- Verify the individual's name and date of birth by referring to a document or source containing the individual's name and date of birth\*
  - Name of Source: .....
  - Account Number\*\*: .....
- Verify the individual's name and address by referring to a document or source containing the individual's name and address\*
  - Name of Source: .....
  - Account Number\*\*: .....
- Verify the individuals' name and confirm a financial account\*
  - Name of Source: .....
  - Financial Account Type: .....
  - Account Number\*\*: .....

\*See CREA's FINTRAC materials on REALTOR Link® for examples. \*\* Or reference number if there is no account number.



# Individual Identification Information Record

## A.4 Unrepresented Individual Reasonable Measures Record *(if applicable)*

Only complete this section when you are unable to ascertain the identity of an unrepresented individual.

### 1. Measures taken to Ascertain Identity *(check one)*:

- Asked unrepresented individual for information to ascertain their identity
- Other, explain: .....

Date on which above measures taken: .....

### 2. Reasons why measures were unsuccessful *(check one)*:

- Unrepresented individual did not provide information
- Other, explain: .....

## B. Verification of Third Parties

NOTE: Only complete Section B for your clients. Complete this section of the form to indicate whether a client is acting on behalf of a third party. Either B.1 or B.2 must be completed.

### B.1 Third Party Reasonable Measures

Where you cannot determine whether there is a third party, complete this section.

Is the transaction being conducted on behalf of a third party according to the client? *(check one)*:

- Yes
- No

#### Measures taken *(check one)*:

- Asked if client was acting on behalf of a third party
- Other, explain: .....

Date on which above measures taken: .....

#### Reason why measures were unsuccessful *(check one)*:

- Client did not provide information
- Other, explain: .....

Indicate whether there are any other grounds to suspect a third party *(check one)*:

- No
- Yes, explain: .....

### B.2 Third Party Record

Where there is a third party, complete this section.

1. Name of third party: .....
2. Address: .....
3. Date of Birth: .....
4. Nature of Principal Business or Occupation: .....
5. Incorporation number and place of issue *(if applicable)*: .....
6. Relationship between third party and client: .....



# Individual Identification Information Record

NOTE: Only complete Sections C and D for your clients.

## C. Client Risk *(ask your Compliance Officer if this section is applicable)*

Determine the level of risk of a money laundering or terrorist financing offence for this client by determining the appropriate cluster of client in your policies and procedures manual this client falls into and checking one of the checkboxes below:

### Low Risk

- Canadian Citizen or Resident Physically Present
- Canadian Citizen or Resident Not Physically Present
- Canadian Citizen or Resident – High Crime Area – No Other Higher Risk Factors Evident
- Foreign Citizen or Resident that does not Operate in a High Risk Country (physically present or not)
- Other, explain:

### Medium Risk

- Explain:

### High Risk

- Foreign Citizen or Resident that operates in a High Risk Country (physically present or not)
- Other, explain:

If you determined that the client's risk was high, tell your brokerage's Compliance Officer. They will want to consider this when conducting the overall brokerage risk assessment, which occurs every two years. It will also be relevant in completing Section D below. Note that your brokerage may have developed other clusters not listed above. If no cluster is appropriate, the agent will need to provide a risk assessment of the client, and explain their assessment, in the relevant space above.



# Individual Identification Information Record

## D. Business Relationship

(ask your Compliance Officer when this section is applicable)

### X D.1. Purpose and Intended Nature of the Business Relationship

Check the appropriate boxes.

Acting as an agent for the purchase or sale of:

- Residential property
- Residential property for income purposes
- Commercial property
- Land for Commercial Use
- Other, please specify: .....

### D.2. Measures Taken to Monitor Business Relationship and Keep Client Information Up-To-Date

D.2.1. Ask the Client if their name, address or principal business or occupation has changed and if it has include the updated information on page one.

D.2.2 Keep all relevant correspondence with the client on file in order to maintain a record of the information you have used to monitor the business relationship with the client. Optional - if you have taken measures beyond simply keeping correspondence on file, specify them here:

D.2.3. If the client is high risk you must conduct enhanced measures to monitor the brokerage's business relationship and keep their client information up to date. Optional - consult your Compliance Officer and document what enhanced measures you have applied:

### D.3 Suspicious Transactions

Don't forget, if you see something suspicious during the transaction report it to your Compliance Officer. Consult your policies and procedures manual for more information.

