

SIKSAY & FRASER are pleased to be acting on your behalf in respect of the above noted real estate transaction. We have prepared this letter in order to explain to you our fee structure, and in order to point out the steps you must take prior to closing.

### **ABOUT OUR FEES**

The fees we quote on residential real estate matters are block fees. We do not, for example, charge a percentage of the purchase price, nor are our fees based on the number of hours spent working on your file (with the exception of "aggravated title problems" which are discussed below). Fees are quoted separately depending on the services required. For example, in many sale transactions we will represent a client both in respect of the sale and in respect of discharging one or more mortgages on the property. Because some transactions do not involve the discharge of a mortgage, the sale and discharge transactions are usually quoted separately in respect of fees.

In a real estate transaction, should a title problem develop, two hours of our time are allotted in the fee as quoted for dealing with such problems. Should the title problem remain unresolved after the two hours is applied to such problem, an additional fee will apply for each hour of time required to satisfactorily deal with such an "aggravated title problem". Our normal hourly fee of \$225.00 per hour will apply to time spent above and beyond the two hour allotment. It is relatively uncommon for the two hour allotment to be exhausted. If the problem becomes a matter which requires an application to court (which is very uncommon), then we will advise you, in advance, of the fees and estimated disbursements that will apply.

Of course, HST charges will apply in respect of our fees and many disbursements, and therefore HST will be an extra charge on your bill. As well, the Law Society of Upper Canada applies a levy of \$65.00 on each sale transaction.

### **ABOUT DISBURSEMENTS**

Disbursements in a sale transaction include courier charges, long distance telephone charges, photocopying charges (\$0.25 per page), charges for facsimile transmissions (\$0.25 per page for receipt of transmissions plus long distance charges, if applicable), mileage charges (at \$0.275 per kilometre), postage charges, electronic search/technology charges of \$8.00 per file, report binding, and other disbursements made on your behalf. Each document registration costs \$71.30 (electronic) or \$60.00 (paper) at the Registry office. These other disbursements usually amount to around \$150.00 (plus document registration costs) for the normal sale transaction.

### **ABOUT THE DAY OF CLOSING**

On the day of closing, we will endeavour to close your sale as early as possible; however, you should not count on closing taking place prior to 5:00pm, which is the time the registry facilities close. Factors which might prevent an early closing of your sale are the following:

1. The purchaser's mortgage lender is tardy in providing funds for the purchase;
2. The purchaser's solicitor was otherwise unable to close the transaction at an earlier time;
3. If your transaction is but one in a long series of purchase and sales each dependant on the other to close, it is possible that the transaction may not close at all if one of the prior transactions does not close.

We will endeavour to contact you the instant a problem develops so that you may make other arrangements. For this reason, it is important that you provide to us a telephone number at which you may be reached on the day of closing. If it is urgent that you have available the sale proceeds on the date set for closing, you should consider bridge financing under certain circumstances. We would be pleased to discuss the advisability of bridge financing with you, at your request.

### **THINGS YOU SHOULD DO PRIOR TO CLOSING:**

There can be no truly complete list of all the things that are required to be done prior to purchasing or selling residential real estate. However, from a legal point of view, we have enclosed a list with this letter of some of the items that you should take care of personally prior to the day of closing.

### **WHEN MAY YOU EXPECT OUR REPORT ON TITLE?**

Usually you can expect our report on title to be forwarded to you within four to six weeks after closing (sometimes longer depending on the volume of closings). Should you have any questions about the transaction prior to receiving the final report, please do not hesitate to contact us. Included with the final report will be a copy of our statement of account and trust statement, along with copies of other pertinent closing documentation.

### **OTHER MATTERS**

The federal government has enacted the Personal Information Protection and Electronic Documents Act (PIPEDA). The purpose of this legislation is to regulate the private sector's collection, use and disclosure of personal information.

In providing services to you, we will be required to collect personal information from you which may include (but is not necessarily limited to) the information received from your realtor, your bank, in some cases your accountant, or requested directly from you in the attached questionnaire or in other communications from or with our office (which will include the collection and retention of a copy of photo-identification for each real estate client as now required by mortgage lenders and the law society). In the process of acting for you, we will need to communicate with the other party and their solicitor, potentially with your home and title insurer, with your real estate agent and broker, potentially with your accountant, with your mortgage company and mortgage broker (if applicable), and with other entities such as, but not necessarily limited to, the registry office and Ontario Ministry of Finance (in respect of Land Transfer Tax issues), Canada Customs and Revenue Agency (for HST or other tax related issues) and as may be required by law or by court order (where applicable). In respect of each of these communications, we will be required to share certain of the personal information which we have collected from you.

We collect and disclose this personal information for one reason: to serve you better in the completion of the services for which you have retained us. From time to time we use our mailing list to prepare and send client newsletters (electronic and by mail) and greeting cards. Our mailing list is used only by our office.

Law firms also need to be concerned about how personal information is shared when a lawyer retires or dies, or firms amalgamate. In order to ensure seamless representation to you, the personal information which is collected from you will form part of the records that are passed to any amalgamated law firm or successor lawyer or firm. Except in these limited circumstances, your personal information will not be sold to other parties. Our current policy is to retain client records indefinitely, but we will likely change that policy as our record storage space is depleted to a policy to retain client records for only as long as the minimum time recommended by the law society.

PIPEDA requires that your knowledge and consent are required before we may collect, use, or disclose your personal information. Your receipt of this letter shall be deemed to be confirmation of your knowledge and consent, unless you advise us immediately, in writing, that you do not agree with the terms stated herein and that you wish to opt out of it. However, if you do wish to opt out of this policy, we will be unable to represent you and you will need to find other legal counsel.

Sometimes, a party may wish to sign by Power of Attorney. If this circumstance applies to your file, it will increase legal fees and disbursements - and we must be satisfied of the legitimacy of the Power of Attorney prior to its use. ***If this circumstance applies to you, please contact David Siksay as soon as possible in order to discuss the implications.***

### **WHAT IS THE NEXT STEP?**

***We would ask you to please FULLY complete the seller questionnaire and return it to our office as soon as possible.*** We will be in touch with you shortly before closing in order to arrange a time to meet and review and execute all required closing documentation. ***At this***

*meeting, we are required to obtain from you copies of at least two pieces of current identification - including acceptable picture identification. Please be sure to bring an assortment of original identification with you . At the time of this meeting, we will require one set of keys to the subject property which we will deliver to the Purchaser on closing. You should not release keys to the purchaser prior to closing.*

*It is very important that you carefully complete the full details of the vendor questionnaire. Much of the requested information cannot be obtained from other sources, and inaccurate information has liability implications for you on and after closing. If you do not know the property tax information - please call your municipal offices to obtain accurate, up to date tax information (they will NOT release this information to us). If you do not know your mortgage reference number(s), please call your mortgage officer to obtain same.*

Please do not hesitate to call if you have any questions with respect to your real estate transaction. You may wish to discuss with us preparation of wills and powers of attorney in conjunction with your sale.

We thank you for choosing Siksay & Fraser as your real estate lawyers.

### **THINGS TO DO PRIOR TO CLOSING:**

There can be no truly complete list of all the things that are required to be done prior to purchasing or selling residential real estate. *However, from a legal point of view, the following is a list of some of the things that you should take care of personally prior to the day of closing:*

1. Contact the customer service department for the applicable utilities for the jurisdiction in which you are selling. This may include, but is not limited to, hydro, water and gas services, depending on the area. Request that the meter is read on the date of closing and that a final bill be sent to you at your new address for charges up to the date of closing.

For your assistance, we have listed the telephone contact numbers for some of the utilities in Durham Region and the City of Kawartha Lakes. For areas outside of these regions, please consult the applicable telephone directory services.

**WATER AND SANITARY SEWER BILLING:**

The Regional Municipality of Durham .....905-666-6211 (1-800-465-6611)  
 City of Kawartha Lakes..... 705-878-1282

**HYDRO:**

Whitby Hydro/Scugog Hydro .....905-668-5878  
 Oshawa PUC Networks .....905-723-4623 (1-877-997-2899)  
 Hydro One (formerly Ontario Hydro) ..... 1-888-664-9376  
 Veridian (Ajax, Pickering, Clarington) .....905-420-8440 (1-888-420-0070)

**GAS:**

Enbridge Consumers Gas ..... 1-877-362-7434

2. **TELEPHONE:** If you have a land line, contact the service provider and arrange to have telephone service disconnected at the house you are selling and arrange to have the final bill for that service sent to your new home.

3. **TAXES:** On closing, adjustment will be made for realty taxes on the property. You will be responsible for all tax payments due up to the date of closing. Please contact the local tax department to advise them that you are selling the property and the date of closing.

**CONTACT NUMBERS FOR LOCAL TAX DEPARTMENTS:**

Town of Whitby ..... 905-668-5803  
 Town of Ajax..... 905-683-4550  
 City of Oshawa ..... 905-436-5651  
 City of Pickering ..... 905-420-4614  
 Municipality of Clarington ..... 905-623-3379  
 City of Kawartha Lakes..... 705-324-9411  
 Township of Scugog..... 905-985-7346  
 Township of Brock .....705-432-2355 (x224)  
 Township of Uxbridge..... 905-852-9181

4. Attend at the post office and arrange to have your mail forwarded to your new address.

5. If your sale property is heated by fuel oil or propane, let us know what a full tank of oil/propane costs and arrange to have the tank filled on the day of closing. We will adjust, on closing, for the full tank of oil/propane.
6. Diarize a reminder to yourself to cancel insurance coverage on the property ***BUT ONLY AFTER YOU ARE CERTAIN THAT YOUR SALE TRANSACTION HAS CLOSED.*** ***If the closing does not occur as scheduled, make appropriate arrangements to continue the insurance coverage.***

### **REFINANCE TRANSACTIONS – WHAT CLIENTS NEED TO PROVIDE**

In order to keep costs down and speed up the process in a mortgage refinancing transaction, we typically require the following documents to be provided to us by our client(s) prior to sign-up, registration and closing (in addition to the client identification documents required for every transaction):

1. A current statement from the applicable municipal tax office confirming that municipal taxes are paid in full (to the extent billed and due) for the subject property;
2. If any prior mortgage is to remain on title, the name of the lender and the mortgage reference number for that mortgage so that we can obtain a current status statement;;
3. Current statements for all accounts to be paid out or paid down as a condition to the new mortgage being funded;
4. If on well water, a current water potability certificate;
5. Any other statements or documents specifically set out in the mortgage commitment.

### **MORTGAGE INSURANCE IMPLICATIONS**

High ratio mortgages arranged through institutional lenders typically require the borrower to obtain and pay for mortgage insurance, most often through CHMC. Frequently, the lender is allowed to lend the amount of the CMHC premium and add such amount to the mortgage. Lenders cannot, however, loan the provincial sales tax / HST that must be paid on the mortgage insurance premium. When the mortgage lender advances the mortgage funds on the day of closing, the advance received by the lawyer will be reduced by the CMHC premium AND provincial sales tax / HST thereon.