



# COMMERCIAL REAL ESTATE PURCHASE CONTRACT

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# \_\_\_\_\_  
Purchase Contract Number

## PART A - OFFER TO PURCHASE

This Contract is between

**THE SELLER**

and

**THE BUYER**

Name \_\_\_\_\_ Name \_\_\_\_\_

Name \_\_\_\_\_ Name \_\_\_\_\_

### 1. THE PROPERTY

1.1 The Property is the Land, Buildings, Accepted Tenancies, Attached Goods (unless excluded) and included Unattached Goods located at:

Municipal Address: \_\_\_\_\_

Legal Description: Plan \_\_\_\_\_ Block \_\_\_\_\_ Lot/Unit \_\_\_\_\_

Title(s) # \_\_\_\_\_. A copy of the existing Title(s) attached hereto as Schedule "A".

If Condominium Property, legal description and details as described in Commercial Condominium Property Schedule (attached).

1.2 All Attached Goods (fixtures) except for: \_\_\_\_\_

1.3 No Unattached Goods (specific chattels) except for: \_\_\_\_\_

1.4 Title to the Property shall be subject to any reservations and exceptions stated on the Certificate of Title, non-financial obligations now on Title such as easements, utility rights-of-way, covenants and conditions that are normally found registered against property of this nature, and non-financial encumbrances which have been accepted by the Buyer (the "Permitted Encumbrances"). Unless otherwise agreed in writing, the Title shall be free and clear of all other liens, encumbrances, registrations and obligations except those implied by law.

The Buyer agrees to accept the following Permitted Encumbrances: \_\_\_\_\_

The Buyer agrees to accept the following tenancies (the "Accepted Tenancies"): \_\_\_\_\_

### 2. THE TRANSACTION

2.1 The Buyer and the Seller agree to act cooperatively, reasonably, diligently and in good faith.

2.2 The Buyer hereby offers to purchase the Property for the sum of \$ \_\_\_\_\_ Dollars (the "Purchase Price").

2.3 Other than the Deposits, the Buyer shall pay the Purchase Price by certified cheque, lawyer's trust cheque, bank draft or other agreed value as follows:

\$ \_\_\_\_\_ Initial Deposit

\$ \_\_\_\_\_ Additional Deposit

\$ \_\_\_\_\_ Assumption of Mortgage/Agreement for Sale  
(approximate principal balance)

\$ \_\_\_\_\_ New Financing

\$ \_\_\_\_\_ Seller Financing  
(as per attached Financing Schedule)

\$ \_\_\_\_\_ Other Value

\$ \_\_\_\_\_ Balance Owing

\$ \_\_\_\_\_ **Purchase Price  
(plus GST, if applicable)**

**2.4** In addition to the Purchase Price, the applicable GST will be paid by the Buyer. On or before the Completion Day, the Buyer may confirm to the Seller's lawyer that it is registered for the purposes of Part IX of the *Excise Tax Act* (Canada) (the "Act") and will provide its registration number. In that event, the Buyer covenants to assume liability for applicable GST accruing with respect to the contemplated transaction and further covenants to pay the applicable GST immediately after the Completion Day or to complete, sign and file such forms, filings or reports required by the Act within the prescribed time limits. The Buyer agrees to indemnify and save harmless the Seller from and against all liability, fines, penalties, costs, expenses and interest, including legal fees and disbursements on a solicitor/client full indemnity basis, which the Seller incurs or may incur as a result of or arising out of a default by the Buyer of its obligations described in this paragraph. If the Buyer does not confirm that it is a registrant under Part IX of the Act on or before the Completion Day, then the Seller will collect from the Buyer, the Buyer will pay the applicable GST and the Seller will then remit the GST amount as required by the Act.

### 3. DEPOSITS

- 3.1** The Initial Deposit shall be delivered in trust to \_\_\_\_\_.  
Unless otherwise agreed in writing, the Initial Deposit shall accompany the offer. \_\_\_\_\_
- 3.2** Any Additional Deposits shall be delivered in trust to \_\_\_\_\_  
as follows \_\_\_\_\_.
- 3.3** In the event that either Deposit(s) are undelivered or returned by the financial institution as funds not cleared or non-sufficient funds, then the Buyer must replace the Deposit(s) by certified cheque, money order or bank draft within two (2) Business Days of being notified that the Deposits did not clear. If the Buyer fails to provide the Deposit(s), the Seller may, at its discretion, terminate the Contract by notice in writing to the Buyer within two (2) Business Days.
- 3.4** Unless otherwise agreed in writing, no interest on the Deposits shall be paid to the Seller or the Buyer. \_\_\_\_\_
- 3.5** The Deposits shall be held in trust for both the Seller and the Buyer and shall be:
- (a) applied against the Commission (as defined in the Commercial Real Estate Listing Contract or any other commission agreement signed by the Seller) and paid directly out of trust to the brokerage(s) when the Commission is earned in accordance with the terms of the Listing Contract or other commission agreement signed by the Seller;
  - (b) returned forthwith to the Buyer if this offer is not accepted and the cheque has not been deposited;
  - (c) refunded forthwith to the Buyer if this offer is not accepted and the Buyer's cheque has cleared the brokerage's trust account;
  - (d) refunded forthwith to the Buyer upon the Buyer's cheque clearing the brokerage's trust account if a condition is not satisfied or waived (as per Section 4) or the Seller fails to perform this Contract; and
  - (e) forfeited to the Seller if this offer is accepted and all conditions are satisfied or waived and the Buyer fails to perform on this Contract.
- 3.6** The brokerage holding the Deposits is further directed and authorized to pay that portion of the Deposits exceeding the Commission in trust to the Seller's lawyer no later than two (2) Business Days prior to the Completion Day.
- 3.7** If there is a dispute between the Seller and the Buyer as to entitlement to the Deposits then:
- (a) the brokerage holding the Deposits shall review the circumstances, determine entitlement and pay the money to the party who is entitled to the Deposit;
  - (b) if no reasonable conclusion can be made in regard to (a) above, the brokerage shall notify the parties to the Contract in writing and shall pay the money into a lawyer's trust account;
  - (c) the parties agree to allow the lawyer and/or the brokerage to deduct from the Deposit a reasonable fee and costs incurred for dealing with the Deposit;
  - (d) a brokerage and/or lawyer acting in good faith under this clause shall not be liable to either party for any damages associated with the handling of the Deposit except as arising from the negligence of the brokerage or lawyer.

### 4. CONDITIONS

**4.1 Buyer's Conditions:** The obligations of the Buyer described in this Contract are subject to the satisfaction or waiver of the following conditions precedent, if any. These conditions are inserted for the sole and exclusive benefit and advantage of the Buyer. The satisfaction or waiver of these conditions will be determined in the sole discretion of the Buyer. The Buyer agrees to use reasonable efforts to satisfy these conditions. These conditions may only be satisfied or waived by the Buyer giving written notice (the "Buyer's Notice") to the Seller on or before **5 p.m.** on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (the "Buyer's Condition Day"). If the Buyer fails to give the Buyer's Notice to the Seller on or before the Buyer's Condition Day, then this Contract will be ended and the Initial Deposit plus any earned interest will be returned to the Buyer and all agreements, documents, materials and written information exchanged between the parties will be returned to the Buyer and the Seller respectively.

Within three (3) Business Days of the Final Signing of this Contract (Section 18), the Seller will provide to the Buyer true copies of all agreements/documents/materials which reasonably relate to the Property and the Buyer's Conditions and which are in the possession of the Seller or under its control (the "Documents"). The Documents are required by the Buyer in order for it to decide whether the conditions are satisfied or should be waived. Any delay by the Seller in providing the Documents will extend the Buyer's Condition Day.

- (a) **Financing Condition:** The Buyer being able to arrange a new mortgage loan upon terms acceptable to the Buyer and/or the Buyer being approved to assume an existing mortgage loan upon terms acceptable to the Buyer.

\_\_\_\_\_ Seller's Initials      \_\_\_\_\_ Buyer's Initials

**(b) Due Diligence Conditions:**

- (i) acceptable physical viewing/inspection of the Property;
- (ii) acceptable review of legal title for the Property and any Unattached Goods;
- (iii) acceptable review of any Permitted Encumbrances;
- (iv) acceptable review of Accepted Tenancies;
- (v) acceptable review of financial records and statements respecting the Property and any operating agreements that the Buyer is to assume;
- (vi) acceptable review of all engineering, mechanical, electrical, plumbing, roof, heating, ventilation, construction or similar reports, studies, assessments, plans, drawings, specifications, correspondence or work orders;
- (vii) acceptable review of all environmental reports;
- (viii) acceptable review of all real property reports; and
- (ix) acceptable review of the following additional agreements/documents/materials: \_\_\_\_\_

- (x) The Buyer may also, at its expense, retain its own consultants to conduct such inspections, reviews and tests and to produce such observations, reports or assessments regarding the Property. In this regard, the Buyer and its authorized representatives will have access to the Property after the Final Signing of this Contract and during normal business hours in order to conduct all inspections, reviews and tests deemed necessary by the Buyer acting reasonably. The rights of the existing tenants must be respected and the Buyer will be responsible for all damages caused by its representatives. The Seller will provide the Buyer with such written authorizations and other assistance when reasonably required by the Buyer to facilitate or to complete its inspections, review or tests.

**(c) Additional Buyer's Conditions:** \_\_\_\_\_

**4.2 Seller's Conditions:** The obligations of the Seller described in this Contract are subject to the satisfaction or waiver of the following conditions precedent, if any. These conditions are inserted for the sole and exclusive benefit and advantage of the Seller. The satisfaction or waiver of these Conditions will be determined in the sole discretion of the Seller. The Seller agrees to use reasonable efforts to satisfy these conditions. These conditions may only be satisfied or waived by the Seller giving written notice (the "Seller's Notice") to the Buyer on or before **5 p.m.** on the \_\_\_\_\_ day of \_\_\_\_\_, (the "Seller's Condition Day"). If the Seller fails to give the Seller's Notice to the Buyer on or before the Seller's Condition Day, then this Contract will be ended and the Initial Deposit plus any earned interest will be returned to the Buyer and all agreements, documents, materials and written information exchanged between the parties will be returned to the Buyer and the Seller respectively.

**4.3** Subject to clauses 4.1 and 4.2, the Buyer and the Seller may give written notice to the other party on or before the stated Condition Day advising that a Condition will not be waived, has not been satisfied and will not be satisfied on or before the Condition Day. If that notice is given, then this Contract is ended upon the giving of that notice.

**5. INSURANCE**

**5.1** The risk of loss or damage to the Property shall lie with the Seller until the Purchase Price is paid according to the terms of this Contract. If loss or damage to the Property occurs before the Seller is paid the Purchase Price, then any insurance proceeds shall be held in trust for the Buyer and the Seller according to their interests in the Property.

**6. WARRANTIES AND REPRESENTATIONS**

**6.1** The Seller represents and warrants to the Buyer that:

- (a) the current use of the Land and Buildings complies with the existing municipal land use bylaw;
- (b) the Buildings and other improvements on the Land are not placed partly or wholly on any easement or utility right-of-way and are entirely on the Land and do not encroach upon neighbouring lands, except where an encroachment agreement is in place;
- (c) the location of Buildings and other improvements on the Land complies with all relevant municipal bylaws, regulations or relaxations granted by the appropriate municipality prior to the Completion Day, or the Buildings and other improvements on the Land are "non-conforming buildings" as that term is defined in the *Municipal Government Act* (Alberta);
- (d) to the best of the Seller's knowledge, there is no legal action outstanding with respect to the Property;
- (e) the Seller is not in breach of any contract with respect to the Property;
- (f) the Seller is not in breach of any obligation to any third party with respect to the Property;
- (g) within the meaning of the *Income Tax Act* (Canada), the Seller is not now, nor will be on the Completion Day, a non-resident of Canada nor an agent or a trustee for any person with an interest in the Property who is a non-resident of Canada;
- (h) \$\_\_\_\_\_ is the current monthly condominium contribution payable (fee for administrative and other expenses); and
- (i) except as otherwise disclosed, the Seller is not aware of any defects that are not visible and that may render the Property dangerous or potentially dangerous to occupants or unfit for habitation.

**6.2** All of the warranties contained in this Contract and any attached Schedules are made as of and will be true at the Completion Day, unless otherwise agreed in writing.

\_\_\_\_\_  
Seller's Initials                      Buyer's Initials

- 6.3 The Seller and the Buyer each acknowledge that, except as otherwise described in this Contract, there are **no other warranties, representations or collateral agreements** made by or with the other party, the Seller's brokerage and the Buyer's brokerage about the Property, any neighbouring lands, and this transaction, including any warranty, representation or collateral agreement relating to the size/measurements of the Land and Buildings or the existence or non-existence of any environmental condition or problem.
- 6.4 The representations and warranties in this Contract may be enforced after the Completion Day, provided that any legal action is commenced within the time limits prescribed by the *Limitations Act* (Alberta).
- 6.5 The Buyer shall have the right to register a **caveat** against the Title to the Property upon the acceptance of this offer by the Seller. Should the Buyer fail to perform this Contract, it agrees to forthwith discharge that caveat.

## 7. ADDITIONAL TERMS

- 7.1 All time periods, deadlines and dates in this Contract shall be strictly followed and enforced. All times will be Alberta time unless otherwise stated.
- 7.2 Neither the Buyer or the Seller shall assign its interest in the Property without the written approval of the other, such approval not to be unreasonably withheld.
- 7.3 All changes of number and gender shall be made where required.
- 7.4 This Contract will be governed by the laws of the Province of Alberta. The parties submit to the exclusive jurisdiction of the Courts in the Province of Alberta regarding any dispute that may arise out of this transaction.
- 7.5 The following terms are a part of this Contract: \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

## 8. CLOSING

- 8.1 Subject to compliance with the terms hereof, possession of the Property shall be available and given to the Buyer on or before 12 noon on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, (the "**Completion Day**"), subject to the rights of the Accepted Tenancies, if any.  
When the Buyer obtains possession, the Property will be in substantially the same condition as it was in when this Contract was accepted.
- 8.2 All normal adjustments for the Property including but not limited to taxes, local improvement levy and assessments, municipal charges, rents, utilities, tenant deposits including interest, prepaid rent, mortgage principal and interest that are applicable with respect to the Property shall be adjusted as of 24:00 hours on the Completion Day. The Buyer shall assume all local improvements, assessments and charges against the Property as of that time.
- 8.3 Closing documents shall:
- (a) consist of the transfer of land (the "Transfer") in registerable form together with all applicable conveyancing documents normally expected in a commercial transaction of this nature;
  - (b) include estoppel certificates for each of the Accepted Tenancies (if applicable); and
  - (c) be prepared at the expense of the Seller and delivered to the Buyer's lawyer within a reasonable time to confirm registration prior to the Completion Day.
- 8.4 In the event the Seller fails to deliver the Transfer to the Buyer's lawyer within such reasonable time, then the Buyer shall not be obliged to pay interest on that portion of the cash to close attributable to the Buyer's own funds, excluding mortgages, provided that those funds are paid to Seller's lawyer in trust, until the Buyer has a reasonable time in which to register the Transfer.
- 8.5 The Seller's lawyer may use the Purchase Price to pay out all mortgages, condominium contributions, registrations and other financial obligations that are the Seller's obligation to pay or discharge. Within a reasonable period of time after the Completion Day, the Seller's lawyer will provide the Buyer's lawyer with evidence of all discharges including, where required, a certified copy of the certificate of title and an estoppel certificate evidencing the payment of all condominium contributions that are the Seller's obligation to pay.
- 8.6 All money due and owing to the Seller including GST, if applicable, shall be paid to the Seller's lawyer on or before the Completion Day. If the Seller agrees to accept payment after the Completion Day, the Buyer shall pay interest at a rate of 3% per annum above the prime rate set by the Alberta Treasury Branch on all monies owing to the Seller, from the Completion Day to and including the date that the monies owing have been unconditionally paid.
- 8.7 If a new mortgage is a condition of this Contract, the Seller agrees to trust conditions that allow the Buyer's lawyer to register the Transfer so as to obtain the advance of mortgage funds on the new mortgage; provided however that the Buyer's lawyer undertakes, accepts, and complies with reasonable trust conditions imposed by the Seller's lawyer until the Seller has been paid the total Purchase Price.
- 8.8 The Seller's lawyer has a right to prepare (at the expense of the Buyer) any mortgage or agreement for sale between the Seller and the Buyer.

## 9. ATTACHED SCHEDULES

- 9.1 The following Schedules form part of this Contract and are attached:

- |   |  |
|---|--|
| <input type="checkbox"/> Schedule A (copy of Title)               | <input type="checkbox"/> Financing Schedule                        |
| <input type="checkbox"/> Schedule B (other documents)             | <input type="checkbox"/> Assumption of Mortgage/Agreement for Sale |
| <input type="checkbox"/> Commercial Condominium Property Schedule | <input type="checkbox"/> Other Value                               |
| <input type="checkbox"/> Addendum                                 | <input type="checkbox"/> Seller Financing                          |
| <input type="checkbox"/> Other Schedules _____                    |  |

\_\_\_\_\_ Seller's Initials      \_\_\_\_\_ Buyer's Initials

**10. CONFIDENTIALITY**

**10.1** The Buyer shall keep all information obtained in strictest confidence and shall only make the information available to the Buyer's employees, agents and professional advisors in strict confidence and shall return all of the Documents including all copies to the Seller before any Deposits are released to the Buyer pursuant to this Contract.

**11. REMEDIES/DISPUTES**

**11.1** If the Seller or the Buyer fails or refuses to complete the Contract according to its terms, then the other party may pursue all available remedies. The Seller's remedies include keeping the Deposits and claiming additional damages. Both the Seller and the Buyer can claim reasonable costs including legal fees and disbursements on a solicitor/client full indemnity basis.

**12. SECURITY FOR THE SELLER'S BROKERAGE'S FEES**

**12.1** The Seller does hereby irrevocably assign to the Seller's brokerage enough of the Purchase Price to pay all sums due and owing to the Seller's brokerage, and agrees to pay any unpaid balance of the Commission to the Seller's brokerage.

**13. ADVICE**

**13.1** This Contract is intended to create binding legal obligations. The Seller and the Buyer should read this Contract carefully and are encouraged to obtain legal advice before signing.

**13.2** This Contract may be signed and sent by fax and this procedure will be as effective as signing and delivering an original copy.

**13.3** Unless there is a dual agency or another written agreement, the Seller's brokerage represents the Seller as Seller's Agent and does not have a fiduciary relationship with the Buyer, and the Buyer's brokerage represents the Buyer as Buyer's Agent and does not have a fiduciary relationship with the Seller.

**13.4** The Buyer and Seller agree that the sale and other related information regarding this transaction may be retained and disclosed by the brokerage and/or its real estate board(s) as required for closing and for reporting, appraisal and statistical purposes.

**14. DEFINITIONS**

**14.1** In this Contract:

- (a) **Business Day** means a day when the Land Titles Office is open for business.
- (b) **Buyer's Agent** means the licensed brokerage (including its broker, all associate brokers and agents) who represents the Buyer.
- (c) **Seller's Agent** means the licensed brokerage (including its broker, all associate brokers and agents) who represents the Seller.

**15. REPRESENTATIVES/NOTICE**

**Note: The Representative information must be completed in full by the Buyer's Agent at the offer stage prior to the Contract being signed in order to permit communication on the Representatives.**

**15.1** The Representatives identified in clause 15.2 represent the Seller and the Buyer.

**15.2** For the purposes of giving and receiving any notice referred to in this Contract, and for acceptance of an offer to purchase, communication must be in writing and must be delivered to the address or faxed to the number described below.

**A notice sent or received by a Representative is proper notice for the purposes of this Contract.**

**Seller's Information:**

Seller's Address \_\_\_\_\_ (postal code) \_\_\_\_\_  
 \_\_\_\_\_ Phone \_\_\_\_\_ Fax \_\_\_\_\_

Seller's GST # \_\_\_\_\_

**Seller's Representative:**

\_\_\_\_\_  
 Broker, associate broker or agent registered to the brokerage

Brokerage Name \_\_\_\_\_

Brokerage Address \_\_\_\_\_

\_\_\_\_\_  
 Phone \_\_\_\_\_ Fax \_\_\_\_\_ (postal code)

**Buyer's Information:**

Buyer's Address \_\_\_\_\_ (postal code) \_\_\_\_\_  
 \_\_\_\_\_ Phone \_\_\_\_\_ Fax \_\_\_\_\_

Buyer's GST # \_\_\_\_\_

**Buyer's Representative:**

\_\_\_\_\_  
 Broker, associate broker or agent registered to the brokerage

Brokerage Name \_\_\_\_\_

Brokerage Address \_\_\_\_\_

\_\_\_\_\_  
 Phone \_\_\_\_\_ Fax \_\_\_\_\_ (postal code)

\_\_\_\_\_  
 Seller's Initials \_\_\_\_\_ Buyer's Initials

**16. OFFER**

**16.1** The Buyer offers to buy the Property for the Purchase Price according to the terms of this Contract.

**16.2** This offer/counter offer shall be open for acceptance in writing until \_\_\_\_\_m. on \_\_\_\_\_, \_\_\_\_\_.

SIGNED AND DATED at \_\_\_\_\_, Alberta at \_\_\_\_\_.m. on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Name of Buyer (Print) \_\_\_\_\_

Per: \_\_\_\_\_  
Authorized Signing Officer(s)

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Print Name of Authorized Signing Officer(s)

\_\_\_\_\_  
Print Name of Witness

Per: \_\_\_\_\_  
Authorized Signing Officer(s)

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Print Name of Authorized Signing Officer(s)

\_\_\_\_\_  
Print Name of Witness

**PART B - ACCEPTANCE****17. ACCEPTANCE**

**17.1** The Seller **accepts** the Buyer's offer and agrees to sell the Property for the Purchase Price according to the terms of the Contract.

SIGNED AND DATED at \_\_\_\_\_, Alberta at \_\_\_\_\_.m. on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Name of Seller (Print) \_\_\_\_\_

Per: \_\_\_\_\_  
Authorized Signing Officer(s)

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Print Name of Authorized Signing Officer(s)

\_\_\_\_\_  
Print Name of Witness

Per: \_\_\_\_\_  
Authorized Signing Officer(s)

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Print Name of Authorized Signing Officer(s)

\_\_\_\_\_  
Print Name of Witness

**18. FINAL SIGNING**

**18.1** Final Signing of this Contract occurred at \_\_\_\_\_m. on \_\_\_\_\_, \_\_\_\_\_.

Initials of the person(s) who signed last \_\_\_\_\_

**CONVEYANCING**

Seller's Lawyer \_\_\_\_\_

Lawyer's Address \_\_\_\_\_ (postal code)

Lawyer's Phone \_\_\_\_\_ Fax \_\_\_\_\_

Buyer's Lawyer \_\_\_\_\_

Lawyer's Address \_\_\_\_\_ (postal code)

Lawyer's Phone \_\_\_\_\_ Fax \_\_\_\_\_