

REAL ESTATE PURCHASE CONTRACT*

This Contract is between:

BUYER 1:
Name: _____

SELLER 1:
Name: _____

BUYER 2:
Name: _____

SELLER 2:
Name: _____

Hereinafter the "Buyer"

Hereinafter the "Seller"

Read this document carefully. All provisions apply unless crossed out and initialed.

1. PROPERTY

1.1 The property is the land, buildings, attached goods (unless excluded) and included unattached goods located at (hereinafter the "Property"):

DESCRIPTION OF THE PROPERTY:

Municipal Address: _____
(number, street, city, province, postal code)

Legal Description of Property: _____

Unattached goods (chattels) included in contract: _____

Attached goods (fixtures) excluded from contract: _____

1.2 Unless otherwise agreed in writing, title to the Property on Completion Day will be free and clear of all financial encumbrances, financial registrations and financial obligations, except those implied by law, and those beyond the control of the Seller.

2. TRANSACTION

2.1 The Seller and Buyer agree to act co-operatively, reasonably, diligently and in good faith.

2.2 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:

Deposit:	\$ _____
Buyer's new mortgage:	\$ _____
Assumption of Seller's mortgage (if applicable):	\$ _____
Balance owing:	\$ _____
<hr/>	
<u>Total purchase price</u> (including GST where applicable):	\$ _____

2.3 DEPOSITS: All deposits will be delivered to the **Seller's lawyer in trust**. For further clarity, ComFree Commonsense Network brokerage is not responsible for holding any deposit, in trust or otherwise. There will be no interest payable on deposits.

*This model document is for reference purposes only; it can be modified by the parties, especially, without limitation, with respect to the provided conditions and time periods. In each case, we advise you to consult a lawyer. ComFree Commonsense Network disclaims any and all liability with respect to the accuracy, sufficiency and relevance of this document.

3. CONDITIONS

ONLY THE CONDITIONS WHICH ARE CHECKED FORM AN INTEGRAL PART OF THIS CONTRACT.

3.1 BUYER'S CONDITIONS (Check all applicable conditions)

- a) New financing obtained by the Buyer;
- b) Property inspection satisfactory to the Buyer;
- c) Approval of the Buyer's lawyer;
- d) Review of Condominium Documents (if the Property is a condominium);
- e) Other Buyer's conditions: _____

CONDITION DAY: All of the above conditions are to be satisfied by the _____ of _____, 20_____.

3.2 SELLER'S CONDITIONS (Check all applicable conditions)

- a) Seller's conditions: _____

CONDITION DAY: All of the above conditions are to be satisfied by the _____ of _____, 20_____.

3.3 The Buyer's Conditions are for their sole benefit and the Seller's conditions are for their sole benefit. The Buyer and Seller must use reasonable efforts to satisfy their respective conditions. The Buyer and Seller must waive their conditions by giving a **written notice to the other party on or before 8:00 p.m. on the dates specified above**. Failure to do so, or failure for both parties to agree to extend the Condition Removal Deadline, in writing, will result in termination of this Contract. If the Contract is terminated in accordance with the terms of this Contract, then any Deposit will be returned to the Buyer by the Seller's lawyer as soon as reasonably possible.

4. CLOSING

- 4.1 COMPLETION DAY: The parties undertake to complete this transaction on or before 12:00 noon on _____, 20_____ (the "Completion Day"), on which date the purchase price shall be paid in full and the Buyer shall have vacant possession.
- 4.2 CONDITION: When the Buyer obtains possession, the Property will be in substantially the same condition as it was when the Buyer last inspected the Property.
- 4.3 ADJUSTMENTS: Items usually adjusted for, including real estate taxes, amortized local improvement levies, utilities, rents, security deposits, statutory interest on security deposits, mortgage interest and homeowners' association fees will be assumed by the Buyer and will be adjusted as of the Completion Day. All adjustable items are the Seller's responsibility for the entire Completion Day.
- 4.4 BUSINESS DAY: Unless otherwise agreed to in writing, if the Completion Day is not a Business Day, then conveyancing matters and payment of the Purchase Price will be completed by 12:00 noon on the preceding Business Day. Possession will be available on and adjustments will be made as of the Completion Day. Business Day means a day when both the Land Titles Office and Chartered Banks are open for business.
- 4.5 CLOSING DOCUMENTS: The Seller and the Seller's lawyer will deliver normal closing documents to the Buyer upon reasonable conditions consistent with the terms of this Contract. The Buyer must have a reasonable period of time before the Completion Day to confirm registration of documents at the Land Titles Office and to obtain the advance of proceeds for any new financing and other funds. If the Seller fails to deliver the closing documents according to the terms of this Contract, then payment of the Purchase Price and interest will be postponed until the Buyer has received the closing documents and has had a reasonable time period to deal with them, in which case the interest rate payable shall be reduced to the mortgage rate on the cash to close.
- 4.6 INTEREST: If the Seller agrees in writing to accept late payment of the Purchase Price, then the Buyer will pay interest to the Seller calculated daily from and including the Completion Day but excluding the day the Seller is paid in full. Payment received after 12:00 noon on any day will be received as payment on the next Business Day. Interest means the prime lending rate of the Province of Alberta Treasury Branches at the Completion Day plus three (3) percent. If the Buyer has not paid all of the Purchase Price, then the Seller may give the Buyer possession upon reasonable terms.
- 4.7 DISCHARGE: The Seller's lawyer may use the Purchase Price to pay out all mortgages, registrations and other financial obligations that are the Seller's obligation to discharge. Within a reasonable period of time after the Completion Day, the Seller's lawyer will provide the Buyer with evidence of all discharges including where required, a certified copy of the certificate of title.

- 4.8 **COSTS:** The Seller will pay the costs to prepare the closing documents, to prepare, register and discharge any Seller's caveat based on this Contract, and to provide the documents required to discharge his obligations. The Buyer will pay the costs to prepare, register and discharge any Buyer's caveat based on this Contract and to register the Transfer of Land.
- 4.9 **TENANCY:** If the Property is rented and the Buyer is not assuming the tenancy, then the Seller is responsible for all costs related to ending the tenancy and to giving vacant possession to the Buyer.
- 4.10 **REAL PROPERTY REPORT:** At least ten (10) business days prior to the Completion Day, the Seller will provide to the Buyer a current Real Property Report along with evidence of municipal compliance regarding the matters described in paragraph 6.2 below. The obligation to provide a real property report will not apply to condominium units that do not create a lot, or will not apply to any transaction where there are no improvements to the land, or where the buyer agrees, at their sole discretion, to obtain title insurance in lieu of a real property report.
- 4.11 Notwithstanding the provisions of this Contract, the parties authorize their lawyers to follow, if appropriate, the Law Society of Alberta Conveyance Protocol in the closing of this transaction.

5. INSURANCE

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

6. WARRANTIES AND REPRESENTATIONS

- 6.1 The Seller warrants to the Buyer that: the Seller has the legal right to sell the Property; the Attached Goods and the included Unattached Goods are in normal working order; no G.S.T. is payable by the Buyer for this transaction unless otherwise disclosed in writing; and the Seller is a resident of Canada for the purposes of the *Income Tax Act* (Canada).
- 6.2 The Seller warrants to the Buyer that the current use of the Property complies with the existing municipal land use by-law; the buildings and other improvements on the Property are not placed partly or wholly upon any easement or utility right-of-way and are entirely on the Property and do not encroach on neighbouring lands; and the location of the buildings and other improvements on the Property complies with all relevant municipal by-laws and regulations or the buildings and other improvements on the Property are "non-conforming" buildings for the purposes of the requisite governing body and the *Municipal Government Act* (Alberta).
- 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 about the Property, any neighbouring lands and this transaction, including any warranty, representation or collateral agreement relating to the size/measurements of the Property or buildings or the existence or non-existence of any environmental condition or problem.

7. ADDITIONAL TERMS

- 7.1 All time periods, deadlines and dates in this Contract are to be strictly followed and enforced. Time is of the essence.
- 7.2 The Contract is binding on the heirs, executors, administrators and assigns of the individual parties and the successors and assigns of the corporate parties.
- 7.3 All changes of number and gender will be implied where required.
- 7.4 Portions of this contract may be enforced even if this Contract has ended.
- 7.5 The Seller shall be allowed to continue to market the Property for sale pending removal of the Buyer's conditions. Upon receipt by the Seller of a bona fide arm's length offer from a third party and delivery of such an offer to the Buyer, the Buyer shall be required to remove all its conditions within the next 48 hours of such delivery. If the Buyer removes all of its conditions in writing, then this Contract will be enforceable and will be completed according to its terms. If the Buyer fails to remove all conditions within the 48 hours, then this Contract is ended and the Deposit will be returned to the Buyer as soon as reasonably possible and the Buyer and the Seller will have no further obligations or liabilities under this contract.

8. REMEDIES OR DISPUTES

- 8.1 If the Seller or the Buyer fails or refuses to complete this Contract according to its terms, then the other party may pursue all remedies available to it in law.
- 8.2 If the Seller must restore title to the Property, enforce a lien against the Property or regain possession of the Property due to the Buyer's default, then the Buyer will be obligated to pay the Seller's reasonable costs including legal fees on a solicitor/client basis.

9. ADVICE AND DISCLOSURE

- 9.1 This Contract is intended to create legal binding relations and obligations. Each party should read this document carefully and consult a lawyer before signing.

9.2 This Contract, if signed only by the Buyer, is to be considered an offer. Once signed by the Seller, if there are no changes, this is a binding Contract. If the Seller makes changes, this document is to be considered a counter-offer which does not become a Contract until the Buyer indicates their acceptance of the counter-offer by initialing each change in the Contract.

10. NOTICES

For the purposes of giving and receiving notices referred to in this Contract, all notices must be in writing and must be delivered or sent by facsimile or hand delivered to the parties or to their respective lawyer indicated below. A notice sent by or received by a party's lawyer is proper notice for the purpose of this Contract.

BUYER(S):
 Address: _____ Daytime Phone: _____
 _____ Other Phone: _____
 Email: _____ Fax: _____

BUYER'S LAWYER: _____
 Address: _____ Daytime Phone: _____
 _____ Other Phone: _____
 Email: _____ Fax: _____

SELLER(S):
 Address: _____ Daytime Phone: _____
 _____ Other Phone: _____
 Email: _____ Fax: _____

SELLER'S LAWYER: _____
 Address: _____ Daytime Phone: _____
 _____ Other Phone: _____
 Email: _____ Fax: _____

11. SIGNATURES

This offer is open for acceptance by the Seller until _____ o'clock, on _____, 20_____.

Signed at _____, on _____, at _____.
(place) (date) (time)

 Signature of **Buyer 1** Signature of witness

 Signature of **Buyer 2** Signature of witness

The Seller accepts this offer and agrees to sell the Property for the Purchase Price and according to the terms of this Contract.

Signed at _____, on _____, at _____.
(place) (date) (time)

 Signature of **Seller 1** Signature of witness

 Signature of **Seller 2** Signature of witness

TAKE TO YOUR LAWYER

Helpful Hints:

- Complete all information on Contract including city, postal code, and contact information during regular business hours and full legal description;
- Once Contract is fully completed and signed by all parties, make photocopies for both the Seller and Buyer and provide the original copy to the Seller's lawyer;
- CONDITION REMOVAL DATE SHOULD BE 3-4 WEEKS PRIOR TO THE CLOSING/COMPLETION DATE OR RUSH CHARGES MAY APPLY.

Buyer Requirements:

- Provide this completed Real Estate Purchase Contract to the Seller;
- Provide Condition Removal to either lawyer once you are ready to remove conditions;
- Provide Mortgage Approval finalized by mortgage professional;
- Sign below if you agree to purchase title insurance in lieu of Real Property Report:

Signature of Buyer (only if in agreement)

- Mortgage Company: _____

Contact Name: _____ Phone: _____

Insurance Company: _____

Contact Name: _____ Phone: _____

Marital Status (if only one person on title): Single/Married/Divorced/Widowed

Seller Requirements:

- Provide completed and signed contract to Seller's lawyer
- Take deposit cheque (made payable to the Seller's lawyer in trust) from Buyer to Seller's lawyer
- Existing Mortgage Company: _____ Branch: _____

Mortgage Reference Number: _____

Marital Status (if only one person on title): Single/Married/Divorced/Widowed

If married, SPOUSE'S NAME THAT IS NOT ON TITLE: _____

- **IF SELLING A HOUSE**

IMPORTANT! If the existing Real Property Report/Surveyor's Report is older than 10 years and/or changes have been made to the property since the date on the last survey, I hereby authorize my lawyer to order a new Real Property/Surveyor's Report on my behalf and submit to the municipality for Compliance unless the Buyer has elected to obtain title insurance in lieu of receiving a Real Property Report.

Signature of Seller (only if in agreement)

- **IF SELLING A CONDO**

Condo Management Company: _____

Monthly Condominium Fees: _____

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