



OFFER TO PURCHASE – COMMERCIAL*

1. IDENTIFICATION OF THE PARTIES

BUYER 1 :

Name: _____ Telephone (res.): _____

Address: _____ Telephone (work): _____

_____ Email: _____

BUYER 2 :

Name: _____ Telephone (res.): _____

Address: _____ Telephone (work): _____

_____ Email : _____

Hereinafter the "Buyer"

SELLER 1 :

Name: _____ Telephone (res.): _____

Address: _____ Telephone (work): _____

_____ Email: _____

SELLER 2 :

Name: _____ Telephone (res.): _____

Address: _____ Telephone (work): _____

_____ Email: _____

Hereinafter the "Seller"

2. OBJECT OF THE CONTRACT

The Buyer hereby promises to purchase, at the price and upon the terms set out below, the property described as follows:

DESCRIPTION OF THE PROPERTY:

Address: _____

(number, street, city, province, postal code)

Cadastral designation (#): _____

Measuring: _____ m ft, for an approximate surface area of _____ m² ft²

CO-OWNERSHIP: *(Fill in only if the commercial property is held in co-ownership)*

The property is held in divided co-ownership

undivided co-ownership for a share equal to _____%

The unit is sold with _____ parking space(s) (no. _____) and _____ storage space(s) (no. _____).

BUSINESS: *(Fill in only if the sale of the property comes with the sale of the business operated therein)*

The Buyer hereby promises to purchase, simultaneously with the purchase of the property, the business known and operated under the following name: _____

The price and conditions of purchase of the business are included in the price and conditions of the purchase of the property set out below.

**The model documents on this web site are for reference purposes only; they 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 contact a lawyer or notary. DuProprio disclaims any and all liability with respect to the accuracy, sufficiency and relevance of the said models. DuProprio is not a real estate agency and does not represent the seller or the buyer.*

3. PRICE AND SALE CONDITIONS (TAXES NOT INCLUDED)

3.1 **PRICE:** The purchase price shall be _____ \$
 _____ (Indicate the amount in numbers)
 _____ dollars
 (indicate the amount in words) which the Buyer agrees to pay in full upon signature of the deed of sale, by certified cheque or bank draft payable to the notary in trust.

3.2 **DEPOSIT:** With this offer to purchase, the Buyer gives a sum of _____ \$
 _____ (Indicate the amount in numbers)
 _____ dollars
 (indicate the amount in words) by cheque payable to “M^{tre} _____,
 Notary, in trust” as a deposit on the purchase price due. This amount will be deposited once all of the conditions of this offer to purchase have been met and will be applied against the purchase price. Should this offer to purchase become null and void, the deposit shall be immediately reimbursed to the Buyer without interest.

3.3 **TAXES:** Any tax that may be payable as a result of the sale of the property and, if applicable, of the business (GST, QST, other) and that is to be collected by the Seller in accordance with the applicable tax legislation, shall be given by the Buyer to the Seller at the signature of the deed of sale.

3.4 **INCLUSIONS:** The following items are included in the purchase price and sold without any legal warranty of quality, but must be in working order at the time of delivery:

BUSINESS: (Fill in only if the business operated in the property is being sold)

Included in the sale and the purchase price are: (Check all applicable items)

- 1) name;
- 2) goodwill;
- 3) all rights and privileges related to the identification of the business (tel. numbers, signs, advertising, trade-marks, etc.);
- 4) all movable property, appliances and equipment used to operate the business (see attached list);
- 5) all merchandise in stock.

3.5 **EXCLUSIONS:** The following items are excluded from the sale:

BUSINESS: (Fill in only if the business operated in the property is being sold)

Excluded from the sale price are: (Check all applicable items)

- 1) receivables;
- 2) payables;
- 3) bank accounts;
- 4) movable property and merchandise in consignment (see attached list);
- 5) leased appliances and equipment (see attached list).

4. DECLARATIONS AND OBLIGATIONS OF THE BUYER

4.1 **DECLARATIONS:**

- a) Subject to paragraph 6.2.1 and unless otherwise indicated in paragraph 8, the Buyer has visited the property on _____
 _____ 20____ and declares himself satisfied therewith;
- b) The Buyer declares having made the proper verifications with competent authorities regarding his intended use of the property (based on the zoning) and declares himself satisfied therewith.

- 4.2 **FEES AND TAXES:** The Buyer shall assume all fees and expenses of the deed of sale, its publication and copies for the parties and the mortgage lenders. The Buyer undertakes, following the execution of the deed of sale, to pay all transfer duties, if applicable.
- The Buyer shall also assume, if applicable, the fees of the declaration of cancellation of the registration and of the new declaration of registration, as well as the required copies.
- 4.3 **LEASING CONTRACTS:** The Buyer shall assume the following appliance and equipment leases: _____
- 4.4 **NON-ASSIGNABILITY:** The Buyer may not sell, assign or otherwise alienate any of his rights in this offer to purchase without the prior written consent of the Seller.

5. DECLARATIONS AND OBLIGATIONS OF THE SELLER

- 5.1 **DECLARATIONS:** The Seller declares, unless otherwise indicated hereinafter or in paragraph 8:
- a) Subject to information provided in the “Declaration of the Seller” form, the Seller is not aware of any factor relating to the property, and, if applicable, to the business, which could substantially reduce its value or the income generated thereby, or increase the expenses relating thereto; _____
 - b) The Seller has not received a notice, from a competent authority or an insurer, indicating that the property or, if applicable, the business, does not comply with the laws and regulations in force, and with which he has not complied; _____
- If any such notice is received after the acceptance of this offer to purchase, the Seller undertakes to notify the Buyer without delay and to remedy the defect prior to the execution of the deed of sale. Should it be impossible to remedy the defect, the Buyer may render this offer to purchase null and void by giving written notice to that effect.
- c) The property is not part of a housing complex within the meaning of the *Act respecting the Régie du logement*; _____
 - d) The property is not subject to the *Act respecting the Preservation of agricultural land and agricultural activities*; _____
 - e) The property is not classified or recognized as cultural property and is not located in a historic or natural district, on a classified historic site or in a protected area pursuant to the *Cultural Property Act*; _____
 - f) The property and, if applicable, the assets of the business, comply with applicable laws and regulations relating to environmental protection; _____
 - g) The relevant municipality provides the property with water and sewer services; _____
 - h) The Seller is a resident of Canada within the meaning of federal and provincial taxation laws; _____
 - i) The Seller is not aware of any exclusivity clause which could undermine the operation of the business, if applicable; _____
 - j) The Seller is not aware of any collective agreement governing the labour relations of the business, of any union certified therein, or of any pending action to obtain certification or to conclude a collective agreement, if applicable; _____
 - k) No claims for which the Buyer may be held jointly and severally liable with him under Section 96 of the *Labour Standards Act* (R.S.Q., c. N-1.1) are or may currently be pending, if applicable; _____
- 5.2 **DELIVERY:** Unless otherwise indicated in paragraph 8, the property and, if applicable, the business, shall be delivered, upon the sale, in the same condition in which they were during the Buyer’s last visit.
- 5.3 **TITLE OF OWNERSHIP:** The Seller shall provide the Buyer with a valid title of ownership, free of any prior claim, mortgage, real right or other charge, other than the usual and apparent servitudes of public utility.
- 5.4 **OWNERSHIP DOCUMENTS:** The Seller shall provide the Buyer with a certified copy of its deed of sale as well as a certificate of location describing the current state of the property. If the certificate of location provided by the Seller represents the current state of the property, the cost of any new certificate of location shall be borne by the Buyer. If the property is held in co-ownership, the certificate of location shall pertain to the private portion being sold. If the property is the object of a declaration of co-ownership, the Seller shall also provide the Buyer with the declaration of co-ownership including the building by-laws. These documents shall be forwarded by the Seller to the Buyer’s notary within thirty (30) consecutive days of the acceptance of this offer to purchase.
- 5.5 **COSTS RELATING TO REPAYMENT OF EXISTING LOAN:** The fees relating to the repayment (including any penalty due for early repayment) and to the striking-off of any loan secured by mortgage, prior claim or any other real right affecting the property shall be borne by the Seller where payment of those costs is not assumed by the Buyer.

5.6 **DEFECT OR IRREGULARITY:** Should the parties be notified, prior to the execution of the deed of sale, of any defect or irregularity affecting the titles, or in the case of non-compliance with any declaration of the Seller contained herein, the Seller shall, within twenty-one (21) consecutive days following receipt of written notice to that effect, notify the Buyer in writing: (i) that he has remedied the said defect, irregularity or non-compliance at his own expense; or (ii) that he is unable to remedy it.

In the event that the Seller is unable to remedy the said defect, the Buyer may, within five (5) consecutive days following receipt of such notice, notify the Seller in writing: (i) that he is purchasing the property with the said defect, irregularity or non-compliance, in which case the Seller's warranty shall be reduced accordingly; or (ii) that he renders this offer to purchase null and void, in which case the fees, expenses and disbursements incurred by each party shall be borne by each party respectively.

Should the Buyer fail to notify the Seller within the above-mentioned time period, this offer to purchase shall become null and void, in which case the fees, expenses and disbursements incurred by each party shall be borne by each party respectively.

5.7 **INTERVENTION OF SPOUSE:** Where rendered necessary by the Seller's matrimonial regime, the Seller shall provide to the Buyer, as soon as this offer to purchase is accepted, his spouse's written consent, and, where applicable, his spouse's concurrence and undertaking to intervene in the deed of sale for the same purpose, failing which the Buyer may render this offer to purchase null and void by giving written notice to that effect.

6. OPTIONAL CONDITIONS OF THIS OFFER TO PURCHASE

IN THIS SECTION, ONLY THE CONDITIONS WHICH ARE CHECKED FORM AN INTEGRAL PART OF THIS OFFER TO PURCHASE. THE FOLLOWING LIST IS NON-EXHAUSIVE: YOU MAY ADD CONDITIONS.

6.1 **FINANCING CONDITIONS** (Check the option which is applicable to your situation)

6.1.1 **Financing of the Buyer by a Mortgage Lender**

a) **Terms:** This offer to purchase is conditional upon the Buyer obtaining a mortgage loan of \$_____ (indicate the amount in numbers) secured by a first rank mortgage. The interest rate of the loan shall not exceed _____% per year and the loan shall be calculated according to a maximum amortization plan of _____ years for a minimum term of _____ years.

b) **Undertaking of the Mortgage Lender:** The Buyer shall, within ten (10) consecutive days following the acceptance of this offer to purchase, provide the Seller with a copy of the mortgage lender's undertaking to grant the Buyer such a loan without conditions. The receipt by the Seller of such undertaking within that period shall have the effect of satisfying this condition.

c) **Default:** Should the Buyer fail to provide the Seller with an undertaking within the time period provided in paragraph 6.1.1 b), the Seller may, within five (5) consecutive days following the expiry of said time period, notify the Buyer in writing that he must immediately submit a new application for a mortgage loan to a mortgage lender determined by the Seller, respecting the terms of paragraph 6.1.1 a).

The receipt by the Seller of an undertaking from the mortgage lender within the time period provided in the Seller's notice shall have the effect of satisfying this condition.

The receipt by the Seller of a refusal notice from the mortgage lender within the time period provided in the Seller's notice shall render this offer to purchase null and void.

Should the Seller fail to notify the Buyer within the time period provided, this offer to purchase shall become null and void.

OR

6.1.2 **Proof of Availability of Funds in case of Cash Sale**

a) **Terms:** This offer to purchase is conditional upon the Buyer providing the Seller, within ten (10) consecutive days following the acceptance of this offer to purchase, with any document proving:

i) that the Buyer has the necessary funds to cover the purchase price; or

ii) that the Buyer has obtained an offer to purchase on a property which he owns, and that all conditions thereof have been fulfilled, excluding the execution of the deed of sale, as well as a letter from the mortgage lender indicating the balance of the mortgage on such property.

b) **Default:** Should the Buyer fail to provide the Seller with such documents within the time period provided, this offer to purchase shall become null and void when that period expires.

6.2 OTHER CONDITIONS (Check all applicable conditions)

6.2.1 **Inspection** (Check only if applicable)

This offer to purchase is conditional upon the Buyer being able to have the property inspected by a building expert within seven (7) consecutive days following the acceptance of this offer to purchase. Should this inspection reveal the existence of defects or other factors affecting the property, which could substantially reduce its value or the income generated thereby, or increase the expenses relating thereto, the Buyer shall so notify the Seller in writing and shall give him, within four (4) consecutive days following the expiry of the above-mentioned time period, a copy of the inspection report as well as his decision to: (i) purchase according to the terms of this offer to purchase; (ii) suggest a modification to this offer to purchase; or (iii) declare this offer to purchase null and void. Should the Buyer fail to carry out the inspection or notify the Seller pursuant to the above-mentioned terms in the time period provided, the Buyer shall be deemed to have waived this condition.

6.2.2 **Drinking Water Quality and Septic Systems Compliance Tests** (Check only if applicable)

The Buyer shall have seven (7) consecutive days following the acceptance of this offer to purchase to have a drinking water test conducted and to have the septic systems' compliance verified. Should the result of these tests reveal that the water is unfit for human consumption or that the septic systems are not compliant, the Buyer shall so notify the Seller in writing and give him a copy of this result within four (4) consecutive days following the expiry of the above-mentioned time period. This offer to purchase shall become null and void following receipt by the Seller of such notice together with this result. Should the Buyer fail to conduct the tests or notify the Seller in the time period provided, the Buyer shall be deemed to have waived this condition.

6.2.3 **Review of Co-ownership Documents** (Check only if applicable)

This offer to purchase is conditional upon the Buyer reviewing the declaration of co-ownership, including the building by-laws, as well as the following documents: _____

To this effect, the Seller shall provide the Buyer with a copy of these documents within five (5) consecutive days following the acceptance of this offer to purchase. Should the Buyer be unsatisfied after reviewing these documents and therefore wish to withdraw this offer to purchase, he shall so notify the Seller in writing, within seven (7) consecutive days following receipt of these documents. This offer to purchase shall become null and void upon receipt of such notice by the Seller. Should the Buyer fail to notify the Seller in the time period provided, the Buyer shall be deemed to have waived this condition.

6.2.4 **Sale of the Buyer's Property and 72-Hour Clause** (Check only if applicable)

a) Terms: This offer to purchase is conditional upon the sale of the Buyer's property located at _____ before _____ 20_____.

Receipt of a notice from the Buyer within this time period, together with either the undertaking of a mortgage lender to grant him a loan without conditions or proof of funds necessary to cover the purchase price, shall fully satisfy this condition.

Should the Buyer be unable to meet the requirements of this condition within the time period provided, this offer to purchase shall become null and void when that period expires.

Notwithstanding this condition, the Buyer must proceed with the fulfilment of the other conditions as of the acceptance of this offer to purchase.

b) 72-Hour Clause: The Seller may continue to offer the property for sale despite the acceptance of this offer to purchase. If the Seller accepts another offer to purchase, he shall so notify the Buyer by any means providing evidence of the time of receipt, as soon as all the conditions of this new offer to purchase have been fulfilled, excluding the execution of the deed of sale and obtaining the cancellation of this offer to purchase. The Buyer shall then have seventy-two (72) hours from the receipt of such notice to inform the Seller in writing of his decision to:

- i) cancel all conditions of this offer to purchase which have not yet been fulfilled, including, without limitation, the condition of sale of the Buyer's property, and to provide proof that he has the necessary funds to cover the purchase price or an undertaking from a mortgage lender to grant him a loan without conditions; or
- ii) cancel this offer to purchase.

Should the Buyer fail to notify the Seller within the time period provided, this offer to purchase shall become null and void when that period expires.

6.2.5 **Acceptance Conditional Upon Cancellation of Another Accepted Offer to Purchase** (Check only if the property is the object of another accepted conditional offer to purchase)

The Seller declares that the property is the object of a conditional offer to purchase accepted on _____.

Consequently, this offer to purchase is conditional upon the cancellation of the first offer to purchase. The Seller shall take the necessary steps to obtain the cancellation of the first offer to purchase as soon as all the conditions of this offer to purchase are fulfilled, excluding the present condition and the execution of the deed of sale. Should the Seller fail to notify the Buyer in writing of the cancellation of the first offer to purchase on or before _____ 20____ (allow for a deadline which takes into account the time period for the fulfilment of the conditions of this offer to purchase once it is accepted + 72 hours + 1 extra day), this offer to purchase shall become null and void. Receipt of a notice within the time period provided indicating that the first offer to purchase has been cancelled shall give full effect to this offer to purchase.

7. TRANSFER OF OWNERSHIP AND OCCUPANCY

7.1 **DEED OF SALE:** The parties undertake to execute a deed of sale before the Buyer’s notary, on or before _____ 20____. The Buyer shall become the owner of the property upon the execution of the deed of sale and shall assume the risks starting on such a date in accordance with article 950 of the *Civil Code of Québec*.

7.2 **OCCUPANCY:** The property shall be available for occupancy by the Buyer as of _____ 20____ and the Seller undertakes to leave the property free of all possessions not included in this offer to purchase, failing which the Buyer may have them removed at the Seller’s expense.

If the occupancy of the property is subsequent to the execution of the deed of sale, the Seller shall pay to the Buyer the amount of \$ _____ (indicate the amount in numbers) per month, from the date of execution of the deed of sale until the expected date of occupancy, as compensation for the occupation of the property by the Seller during that period. This amount shall be withheld from the purchase price by the notary and delivered to the Buyer. In addition, the Seller shall remain responsible for the costs of heating, electricity and repairs deemed to be leasehold repairs during that period.

7.3 **ADJUSTMENTS :** Upon the execution of the deed of sale, all adjustments in respect of general and special real estate taxes, income generated by or expenses relating to the property or the business if applicable, permits, insurance premiums, fuel reserves, appliance and equipment leases, co-ownership expenses if applicable, etc., shall be made as of the date of execution of the deed of sale.

If the property is held in co-ownership, there shall be no adjustments in respect of any fund of the co-ownership.

8. OTHER CONDITIONS OR DECLARATIONS

Buyer’s Initials

9. CONDITIONS OF ACCEPTANCE

This offer to purchase is irrevocable until _____ : _____ a.m. p.m., on _____ 20_____.

If the Seller accepts this offer to purchase within this deadline, it shall constitute a legally binding contract between the Buyer and the Seller. If the Seller does not accept this offer within this deadline, this offer to purchase shall become null and void.

10. SIGNATURES

The **BUYER** acknowledges having read, understood and agreed to this offer to purchase and having retained a copy thereof.

Signed in _____, on _____, at _____ : _____ a.m. p.m.
(place) (date) (time)

Signature of Buyer 1

Signature of witness

Signature of Buyer 2

Signature of witness

11. SELLER'S REPLY

The **SELLER** acknowledges having read and understood this offer to purchase and having received a copy thereof.

I declare that I _____ (accept, refuse, or make a counter-offer to) this offer to purchase.

Signed in _____, on _____, at _____ : _____ a.m. p.m.
(place) (date) (time)

Signature of Seller 1

Signature of witness

Signature of Seller 2

Signature of witness

12. ACKNOWLEDGEMENT OF RECEIPT (Following the acceptance of the offer to purchase only)

The **BUYER** acknowledges having received a copy of the above accepted offer to purchase from the Seller.

Signed in _____, on _____, at _____ : _____ a.m. p.m.
(place) (date) (time)

Signature of Buyer 1

Signature of witness

Signature of Buyer2

Signature of witness

13. INTERVENTION OF SELLER'S SPOUSE

The undersigned declares being the spouse of the Seller, consenting to, and if applicable, concurring with the acceptance of this offer to purchase, and undertakes to intervene in the execution of the deed of sale for all purposes that the law may require.

Signed in _____, on _____, at _____ : _____ a.m. p.m.
(place) (date) (time)

Signature of Spouse of Seller 1

Signature of witness

Signature of Spouse of Seller 2

Signature of witness

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