

AGRICULTURAL PURCHASE CONTRACT

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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, Attached Goods (unless excluded) and included Unattached Goods and other considerations as per clause 1.6 below, excluding all mines and minerals.

1.2 Municipal Address: _____

1.3 Legal description (as set out below or on attached Land Description Schedule):

Deeded Lands

W. of (Meridian)	Range	Township	Section	Part	Acres

Assignment of Lease of

W. of (Meridian)	Range	Township	Section	Part	Acres

1.4 All Attached Goods (fixtures) except for: _____

1.5 No Unattached Goods (specified chattels) except for: _____

1.6 Other considerations as per the attached Schedules:

- | | |
|---|---|
| <input type="checkbox"/> Copy of the existing Title(s) _____ | <input type="checkbox"/> Financing Schedule |
| <input type="checkbox"/> Schedule A: Surface Leases/Income | <input type="checkbox"/> Poultry/Livestock Quotas Schedule |
| <input type="checkbox"/> Schedule B: Grazing Leases/Permits | <input type="checkbox"/> Water Rights/Irrigation Schedule (if applicable) |
| <input type="checkbox"/> Schedule C: Property Leases | <input type="checkbox"/> Addendum |
| <input type="checkbox"/> Country Residential/Agricultural Property Schedule | <input type="checkbox"/> Other _____ |
| <input type="checkbox"/> Land Description Schedule | |

1.7 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: _____

2. THE TRANSACTION

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

2.2 The Buyer hereby offers to purchase the Property for the Purchase Price specified and allocated below:

- \$ _____ Initial Deposit
- \$ _____ Additional Deposit
- \$ _____ New Financing
- \$ _____ Seller Financing (as per attached Financing Schedule)
- \$ _____ Other Value
- \$ _____
- \$ _____ Balance Owing (subject to adjustments)
- \$ _____ **Purchase Price (excluding GST)**

2.3 **The Purchase Price does not include GST.** In the event that GST is payable and the Buyer is not a GST registrant, then the Buyer shall remit the applicable GST to the Seller's lawyer on or before Completion Day.

2.4 Other than the Deposits, the Buyer shall pay the Purchase Price by lawyer's trust cheque, bank draft or other agreed value.

3. DEPOSITS

3.1 All Deposits shall be delivered in trust to _____.
 Unless otherwise agreed in writing, the Initial Deposit shall accompany the offer. _____

3.2 The Initial Deposit shall be deposited no later than the third Business Day following the day that Final Signing occurred (as per clause 16.1) or the third Business Day following the receipt of the Initial Deposit, whichever is last.

3.3 Any Additional Deposits shall be delivered in trust as follows _____.
 Additional Deposits shall be deposited no later than the third Business Day following the day the Additional Deposit is received.

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 and paid directly out of trust to the brokerage(s) when the Commission is earned in accordance with the terms of the Seller Brokerage Agreement or any other commission agreement signed by the Seller;
 - (b) refunded forthwith to the Buyer if this offer is not accepted;
 - (c) 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 clause 8.4 or 8.5) or the Seller fails to perform this Contract; and
 - (d) 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.
- 3.8** In the event that the brokerage holding the trust funds ceases to be licensed in real estate, the Buyer and the Seller agree to allow the trust funds to be transferred to the brokerage representing the other party.

4. CLOSING

- 4.1** All monies due and owing to the Seller, including GST if applicable as per clause 2.3, shall be paid to the Seller's lawyer on or before the Completion Day. Subject to compliance with the terms hereof, possession of the Land shall be available and given to the Buyer on or before 12 noon of the _____ day of _____, 20_____
(the "Completion Day"), subject to the rights of the existing tenants, if any, and Buildings/Farmstead on the _____ day of _____, 20_____, subject to the rights of the existing tenants, if any. All harvested crops remain the property of the Seller and will be removed by the _____ day of _____, 20_____, and all unharvested crops by the _____ day of _____, 20_____, after which time the crops or any part thereof not removed shall become the absolute property of the Buyer.
- 4.2** When the Buyer obtains possession, the Property will be in substantially the same condition as when this Contract was accepted.
- 4.3** 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, surface leases (if any), 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.
- 4.4** The Seller or the Seller's lawyer will deliver closing documents to the Buyer or the Buyer's lawyer upon reasonable terms consistent with the terms of this Contract. Closing documents shall consist of the transfer of land (the "Transfer") in registrable form together with all applicable conveyancing documents normally expected in a transaction of this nature and shall be prepared at the expense of the Seller and delivered to the Buyer's lawyer within a reasonable time to confirm registration prior to Completion Day.
- 4.5** If the Seller fails to deliver the closing documents according to clause 4.4, then payment of the Purchase Price and late interest will be postponed until the Buyer has received the closing documents and has a reasonable period of time to register them and to obtain the advance of proceeds for any New Financing and Other Value. Notwithstanding the foregoing, if the Buyer is otherwise ready, willing and able to close in accordance with this Contract and desires to take possession of the Property, then the Seller shall give the Buyer possession upon reasonable terms which will include the payment of late interest only on the amount of mortgage being obtained by the Buyer, if any, at the interest rate of such mortgage.
- 4.6** In circumstances where the Seller has complied with clause 4.4 but the Buyer is not able to close in accordance with this Contract, then the Seller may, but is not obligated to, accept late payment of the Purchase Price and give the Buyer possession upon reasonable terms. If the Seller agrees in writing to accept late payment of the Purchase Price under this clause then, whether or not possession is granted, the Buyer will pay late interest at the prime lending rate of the Province of Alberta Treasury Branches at the Completion Day plus 3% calculated daily from and including the Completion Day to (but excluding) the day the Seller is paid in full. Payment received after noon on any day will be payment as of the next Business Day.
- 4.7** 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 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.

- 4.8 The Seller will pay the costs to prepare the closing documents and to prepare, register and discharge any Seller's caveat based on the Contract.
- 4.9 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.
- 4.10 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 giving vacant possession to the Buyer.

5. INSURANCE

- 5.1 The risk of loss or damage to the Property will 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 will be held in trust for the Buyer and the Seller according to their interests in the Property.

6. REPRESENTATIONS AND WARRANTIES

- 6.1 The Seller represents and warrants to the Buyer that:
- (a) the Seller has the legal right to sell the Property;
 - (b) the Attached Goods and included Unattached Goods are in normal working order and are free and clear of all encumbrances;
 - (c) 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;
 - (d) the current use of the Land and Buildings complies with the existing municipal land use bylaw;
 - (e) 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 on neighbouring lands, except where an encroachment agreement is registered on title, or in the case of an encroachment into municipal lands or a right-of-way, the municipality has endorsed encroachment approval directly on the real property report;
 - (f) 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);
 - (g) the current use of the Land and Buildings and the location of the Buildings and other improvements on the Land comply with any restrictive covenant on title;
 - (h) to the best of the Seller's knowledge, there is no legal action outstanding with respect to the Property;
 - (i) the Seller is not in breach of any contract with respect to the Property;
 - (j) the Seller is not in breach of any obligation to any third party with respect to the Property; and
 - (k) 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 The Buyer represents and warrants that, prior to completion, it is NOT an "ineligible person" or a "foreign controlled corporation" and is eligible to purchase "controlled land" as those terms are defined in the *Foreign Ownership of Land Regulations*.
- 6.3 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.
- 6.4 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.
- 6.5 The representations and warranties in this Contract shall survive the completion of purchase and sale and may be enforced after the Completion Day, provided that any legal action is commenced within the time limits prescribed by the Limitations Act (Alberta).
- 6.6 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, the Buyer agrees to forthwith discharge that caveat.

7. ADDITIONAL TERMS HOLDBACK

- 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 This Contract is for the benefit of and shall be binding upon the heirs, executors, administrators and assigns of the individual parties and the successors and assigns of corporate parties.
- 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.

8.2 The Seller's Conditions are: _____

Before **9 p.m.** on _____, 20_____, (the "Condition Day")

- 8.3** Unless otherwise agreed in writing, the Buyer's Conditions are for the sole benefit of the Buyer and the Seller's Conditions are for the sole benefit of the Seller. The Buyer and Seller must use reasonable efforts to satisfy their respective Conditions.
- 8.4** The Buyer and the Seller may unilaterally waive or acknowledge satisfaction of their Conditions by giving a written notice to the other party on or before the stated Condition Day. If that notice is not given, then this Contract is ended immediately following that Condition Day.
- 8.5** Subject to clause 8.3, 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.

9. REMEDIES/DISPUTES

- 9.1** If the Seller or the Buyer fails or refuses to complete this Contract according to its terms, then the other party may pursue all 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.
- 9.2** 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 pay the Seller's reasonable costs including legal fees and disbursements on a solicitor/client full indemnity basis.
- 9.3** The Seller and the Buyer agree that the Property is unique and that, in the event of a default by the Seller, the Buyer is entitled, without limiting any other remedies available in clause 9.1, to claim the remedy of specific performance.

10. SECURITY FOR THE SELLER'S BROKERAGE'S FEES

- 10.1** 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.

11. ADVICE

- 11.1** 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.
- 11.2** Any representations as to the measurements of the Buildings are only approximations and may not be accurate. The Buyer may wish to obtain an independent property inspection and verify the measurements of the Land and Buildings.
- 11.3** This Contract may be signed and sent by fax or by email and these procedures will be as effective as signing and delivering an original copy.
- 11.4** Unless there is written consent for alternate representation, 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.
- 11.5** 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 the real estate board(s) as required for closing and for reporting, appraisal and statistical purposes.

12. DEFINITIONS

- 12.1** In this Contract:
 - (a) *Business Day* means every day but Saturday, Sunday and statutory holidays.
 - (b) *Commission* means the sum owing from the Seller for services rendered under the Seller Brokerage Agreement plus GST.
 - (c) *Seller Brokerage Agreement* means any written service or commission agreement obligating the Seller to pay remuneration.
 - (d) *Notice* means any notice referred to in this Contract and includes communication of the acceptance of an offer to purchase.
 - (e) *Unless otherwise agreed in writing* means either changes made to the terms of this Contract that are agreed to by both the Seller and the Buyer, or a written agreement by letter or otherwise between the Seller or the Seller's lawyer and the Buyer or the Buyer's lawyer.

13. REPRESENTATIVES/NOTICE/COMMUNICATION

Note: This section must be filled out in full.

- 13.1** As long as the Representative information in 13.3 is completed, the identified Representatives are authorized to send and receive any Notices, documents and information on behalf of their respective clients in person, by fax, or by email. Buyer and Seller acknowledge there are risks with each of these methods.
- 13.2** Buyer and Seller agree that any Notices, documents and information exchanged between the parties in person, by fax, or by email will be considered effective at the time they are sent.
- 13.3** The following addresses must be used for all communication between Buyer, Seller and their Representatives, unless otherwise stated. If the information changes, Buyer and Seller must tell each other, in writing, through their Representatives, within two Business Days of the change.

Designated Address for Communication:

The Buyer acknowledges that the following is the designated address for communication for all buyers.

Name _____
Address _____ (postal code)
Phone _____ Fax _____
Email _____

Buyer Brokerage Information:

BROKERAGE:	BROKERAGE REPRESENTATIVE:
Name _____	Name _____
Address _____ _____ (postal code)	Address: c/o the Brokerage
Phone _____ Fax _____	Phone _____ Fax _____
Email _____	Email _____

The Seller acknowledges that the following is the designated address for communication for all sellers.

Name _____
Address _____ (postal code)
Phone _____ Fax _____
Email _____

Seller Brokerage Information:

BROKERAGE:	BROKERAGE REPRESENTATIVE:
Name _____	Name _____
Address _____ _____ (postal code)	Address: c/o the Brokerage
Phone _____ Fax _____	Phone _____ Fax _____
Email _____	Email _____

14. OFFER

14.1 Buyer and Seller agree that an electronic signature, as defined in the *Electronic Transactions Act* (Alberta), or a digitized signature will have the same function as an ink signature.

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

14.3 This offer/counter offer shall be open for acceptance in writing until _____m. on _____
_____, 20_____.

SIGNED AND DATED at _____, Alberta at _____m. on _____, 20_____.

Signature of Buyer

Signature of Witness

Print Name of Buyer

Print Name of Witness

Signature of Buyer

Signature of Witness

Print Name of Buyer

Print Name of Witness

Buyer's GST # _____

PART B – ACCEPTANCE

15. ACCEPTANCE

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

SIGNED AND DATED at _____, Alberta at _____m. on _____, 20_____.

Signature of Seller

Signature of Witness

Print Name of Seller

Print Name of Witness

Signature of Seller

Signature of Witness

Print Name of Seller

Print Name of Witness

Seller's GST # _____

16. FINAL SIGNING

16.1 Final Signing of this Contract occurred at _____m. on _____, 20_____.

Initials of the person(s) who signed last _____

CONVEYANCING

BUYER:

Name _____ Name _____
Address _____ Address _____

Phone _____ Fax _____ (postal code) Phone _____ Fax _____ (postal code)
Email _____ Email _____

BROKERAGE:

Name _____
Address _____

Phone _____ Fax _____ (postal code)
Email _____

BROKERAGE REPRESENTATIVE:

Name _____
Address: c/o the Brokerage
Phone _____ Fax _____
Email _____

LAWYER:

Name _____
Address _____

Phone _____ Fax _____ (postal code)
Email _____

SELLER:

Name _____ Name _____
Address _____ Address _____

Phone _____ Fax _____ (postal code) Phone _____ Fax _____ (postal code)
Email _____ Email _____

BROKERAGE:

Name _____
Address _____

Phone _____ Fax _____ (postal code)
Email _____

BROKERAGE REPRESENTATIVE:

Name _____
Address: c/o the Brokerage
Phone _____ Fax _____
Email _____

LAWYER:

Name _____
Address _____

Phone _____ Fax _____ (postal code)
Email _____