

AREA EXPLANATORY FORM

Residential Resale Condominium Property Purchase Contract



Contract Number _____

RESIDENTIAL RESALE CONDOMINIUM PROPERTY PURCHASE CONTRACT

Between
THE SELLER and **THE BUYER**

Name _____ Name _____

Name _____ Name _____

1. THE PROPERTY

1.1 The Property is:

(a) the condominium unit located at:

Municipal address: _____
(street number and name)

_____, Alberta _____
(municipality) (postal code)

Project name: _____

Legal description of titled units:

Residential unit – Condominium Plan: _____ Unit: _____ Unit factor: _____

Parking unit(s) – Condominium Plan: _____ Unit(s): _____ Unit factor(s): _____

Storage unit(s) – Condominium Plan: _____ Unit(s): _____ Unit factor(s): _____

(b) these non-titled, assigned or leased areas:

Parking – Stalls assigned: _____ Stalls leased: _____ Stall numbers: _____

Storage – Spaces assigned: _____ Spaces leased: _____ Space numbers: _____

(c) these unattached goods _____

(d) the attached goods except for _____

2. PURCHASE PRICE AND COMPLETION DAY

2.1 The Purchase Price is \$ _____

2.2 The Purchase Price includes any applicable Goods and Services Tax (GST).

2.3 This contract will be completed, the Purchase Price fully paid and vacant possession given to the buyer at 12 noon on _____, 20____ (Completion Day).

2.4 On Completion Day, the Property will be in substantially the same condition as when this contract was accepted and the attached and unattached goods will be in normal working order.

3. GENERAL TERMS

3.1 In fulfilling this contract, the seller and buyer agree to act reasonably and in good faith and agree that:

- (a) unless the seller, buyer or both have agreed to alternate representation, the seller and buyer are each represented by their own sole agent and those agents have no agency responsibility to the other party;
- (b) the laws of Alberta apply to this contract;
- (c) Alberta time applies to this contract. Time is of the essence, which means times and dates will be strictly followed and enforced;
- (d) Business Day means every day but Saturday, Sunday and statutory holidays and includes all the hours of the day;
- (e) a reference to the seller or buyer includes singular, plural, masculine and feminine;
- (f) the seller will disclose known Material Latent Defects. Material Latent Defect means a defect in the Property that is not discoverable through a reasonable inspection and that will affect the use or value of the Property;
- (g) the seller and buyer are each responsible for completing their own due diligence and will assume all risks if they do not;

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- (h) the seller will ensure the seller's representations and warranties are true by:
- (i) reviewing land title and registrations on title;
 - (ii) reviewing a Real Property Report (RPR) for the Property if the Property is a bare land unit;
 - (iii) determining non-resident status for income tax purposes and determining any dower rights; and
 - (iv) doing other needed research;
- (i) the buyer may get independent inspections or advice on items such as condominium documents, RPR for a bare land unit, land title, registrations on title, current and future use, buildings and mechanical systems, property insurance, title insurance, size of the land and buildings, interior and exterior measurements and other items important to the buyer;
- (j) sections 12 and 13 of the *Condominium Property Act* (Alberta) relating to sale of units by developers and rescission of purchase agreement do not apply;
- (k) contract changes that are agreed to in writing will supersede the pre-printed clauses;
- (l) the seller and buyer will read this contract and seek relevant advice before signing it;
- (m) the brokerages, real estate board and listing services may keep and disclose relevant information about this transaction for reporting, statistical, property evaluation and closing purposes; and
- (n) the _____ brokerage will provide this contract and related documents to the appointed lawyers for the purpose of closing this contract.
(seller's or buyer's)

4. DEPOSITS

- 4.1 The seller and buyer agree that clauses 4.2 through 4.8 are the terms of trust for the deposits.
- 4.2 The seller and buyer appoint _____ as trustee for the deposit money.
- 4.3 The buyer will pay a deposit of \$ _____, which will form part of the Purchase Price, to the trustee by _____, on or before _____.
(method of payment)
- 4.4 The buyer will pay an additional deposit of \$ _____, which will form part of the Purchase Price, to the trustee by _____, on or before _____.
(method of payment)
- 4.5 If the buyer fails to pay a deposit, as required by this contract, the seller may void this contract at the seller's option by giving the buyer written notice.
- 4.6 The trustee will deposit all deposits into a trust account within three Business Days of receipt.
- 4.7 Interest on the deposits will not be paid to the seller or buyer.
- 4.8 The deposits will be held in trust for both the seller and buyer. Provided funds are confirmed, the deposits will be disbursed, without prior notice, as follows:
- (a) to the buyer, if after this contract is accepted:
 - (i) a condition is not satisfied or waived in accordance with clause 8.4;
 - (ii) the buyer voids this contract for the seller's failure to provide a Dower Consent and Acknowledgment form in accordance with clause 7.1(b);
 - (iii) the seller voids this contract for the buyer's failure to pay a deposit; or
 - (iv) the seller fails to perform this contract;
 - (b) to the seller, if this contract is accepted and all conditions are satisfied or waived and the buyer fails to perform this contract; or
 - (c) applied against the Fee owed by the seller by payment directly out of trust to the brokerage(s), with any excess amount paid in trust to the seller's lawyer no later than three Business Days prior to the Completion Day. Fee means the amount, plus GST, owed to a real estate brokerage under a written service agreement.
- 4.9 A trustee acting under this section will not be liable to the seller or buyer for any loss arising from the disbursement of the deposits.
- 4.10 The disbursement of deposits, as agreed to in this section, will not prevent the seller or buyer from pursuing remedies in section 12.

5. LAND TITLE

- 5.1 Title to the Property will be free of all encumbrances, liens and interests except for:
- (a) those implied by law;
 - (b) 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;
 - (c) homeowner association caveats, encumbrances and similar registrations; and
 - (d) items the buyer agrees to assume in this contract.

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 seller is not a non-resident for the purposes of the *Income Tax Act* (Canada);
 - (c) no one else has a legal right to the included attached and unattached goods;
 - (d) the current use of the land and buildings complies with the existing municipal land use bylaw and any restrictive covenant on title;

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- (e) the location of the buildings and land improvements:
 - (i) is on the land and not on any easement, right-of-way or neighbouring lands unless there is a registered agreement on title; and
 - (ii) complies with any restrictive covenant on title and municipal bylaws, regulations and relaxations, or the buildings and improvements are "non-conforming buildings" as defined in the *Municipal Government Act* (Alberta);
- (f) known Material Latent Defects, if any, have been disclosed in writing in this contract; and
- (g) any known government and local authority notices regarding the Property, and known lack of permits for any development on the Property, have been disclosed in writing in this contract.

6.2 The representations and warranties in this contract:

- (a) are made as of, and will be true at, the Completion Day; and
- (b) will survive completion and may be enforced after the Completion Day as long as any legal action is commenced within the time limits set by the *Limitations Act* (Alberta).

7. DOWER

7.1 The seller represents and warrants to the buyer that no spouse has dower rights in the Property, other than as shown by:

- (a) the non-owner spouse's signature on this contract; and
- (b) the seller providing a completed Dower Consent and Acknowledgment form to be attached to and form part of this contract on or before _____, 20_____. If the seller fails to provide the completed Dower Consent and Acknowledgment form, the buyer may void this contract at the buyer's option by giving the seller written notice.

8. CONDITIONS

8.1 The seller and buyer will:

- (a) act reasonably and in good faith in trying to satisfy their own conditions, including making reasonable efforts to fulfill them; and
- (b) pay for any costs related to their own conditions, except for the providing of documents in the Condominium Documents Condition.

8.2 Buyer's Conditions

The buyer's conditions are for the benefit of the buyer and are:

(a) Condominium Documents

- (i) This contract is subject to the buyer's satisfaction with a review of the Documents before _____, 20_____. (Condition Day). Documents means documents as are available from the condominium corporation from the list below.
 - (1) a statement setting out the amount of any contributions due and payable in respect of the unit
 - (2) the particulars of:
 - i. any action commenced against the corporation and served on the corporation
 - ii. any unsatisfied judgment or order for which the corporation is liable
 - iii. any written demand made on the corporation for an amount in excess of \$5,000 that, if not met, may result in an action being brought against the corporation
 - (3) the particulars of, or a copy of, any subsisting management agreement
 - (4) the particulars of, or a copy of, any subsisting recreational agreement
 - (5) the particulars of any post tensioned cables located anywhere on or within the property that is included in the condominium plan
 - (6) a copy of the budget of the corporation
 - (7) a copy of the most recent financial statements, if any, of the corporation, including the most recent year-end and month-end statements
 - (8) a copy of the bylaws of the corporation
 - (9) a copy of the most recent approved and most recent draft minutes of the annual general meeting
 - (10) a copy of the minutes and draft minutes of meetings of the board of directors of the corporation for not less than the past 12 months
 - (11) a statement setting out the amount of the capital replacement reserve fund
 - (12) a copy of the reserve fund report
 - (13) a copy of the reserve fund plan
 - (14) a statement setting out the amount of the monthly contribution (commonly referred to as condominium fee) and the basis on which that amount was determined
 - (15) a statement setting out any structural deficiencies that the corporation has knowledge of, at the time of the request, in any of the buildings that are included in the condominium plan
 - (16) a copy of any lease agreement or exclusive use agreement with respect to the possession of a portion of the common property, including a parking stall or storage space
 - (17) a copy of the registered condominium plan
 - (18) a copy of the condominium additional plan sheet certificate (CADS)
 - (19) a copy of the insurance certificate

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- (20) the amount of any homeowner association fee
- (21) a copy of any proposed special resolution awaiting a vote
- (22) a copy of any special resolution that has been passed but not yet implemented
- (23) a copy of any easement, covenants and restrictions (ECR) agreement
- (24) a copy of any other building or site report such as a building assessment report, building envelope report, geo-technical report, technical audit, performance audit
- (25) Other: _____

- (ii) The seller will cooperate by providing to the buyer, at the seller's cost, true copies of the Documents before _____ .m. on _____, 20____ (Document Delivery Day).
- (iii) If the seller does not provide the Documents before the Document Delivery Day, the buyer may, at the buyer's option, obtain the Documents.
- (iv) To exercise the buyer's option, the buyer will give written notice to the seller before the Condition Day of the buyer's intent to obtain the Documents and the Condition Day will extend to _____ .m. on _____, 20____.
- (v) The buyer's costs to obtain the Documents will be invoiced to the seller and may include reasonable costs such as Land Titles Office fees, condominium manager fees, board fees and solicitor/client legal fees and disbursements. The buyer may require the seller to pay the invoiced amount to the buyer within 30 days of invoice date or have the amount adjusted for on Completion Day.

(b) Financing

This contract is subject to the buyer securing new financing, not to exceed _____% of the Purchase Price from a lender of the buyer's choice and with terms satisfactory to the buyer, before _____ .m. on _____, 20____ (Condition Day). The seller will cooperate by providing access to the Property on reasonable terms.

(c) Property Inspection

This contract is subject to the buyer's satisfaction with a property inspection, conducted by a licensed home inspector, before _____ .m. on _____, 20____ (Condition Day). The seller will cooperate by providing access to the Property on reasonable terms.

(d) Sale of Buyer's Property

This contract is subject to the sale of the buyer's property before _____ .m. on _____, 20____ (Condition Day), on the terms in the Sale of Buyer's Property Schedule, selected as attached in clause 9.1.

(e) Additional Buyer's Conditions

before _____ .m. on _____, 20____ (Condition Day).

8.3 Seller's Conditions

The seller's conditions are for the benefit of the seller and are: _____

before _____ .m. on _____, 20____ (Condition Day).

8.4 Condition Notices

Each party will give the other written notice that:

- (a) a condition is unilaterally waived or satisfied on or before its Condition Day. If not, this contract will end after the time indicated for that Condition Day; or
- (b) a condition will not be waived or satisfied prior to its Condition Day. This contract will end upon that notice being given.

9. ATTACHMENTS AND ADDITIONAL TERMS

9.1 The selected documents are attached to and form part of this contract:

- Financing Schedule (Seller Financing, Mortgage Assumption, Other Value)
- Tenancy Schedule
- Manufactured Home Schedule
- Sale of Buyer's Property Schedule
- Addendum
- Other _____

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9.2 Current condominium unit contributions and fees

To the best of the seller's knowledge and to be verified by the buyer:

(a) the total current monthly contribution for the Property's titled units is: \$ _____; and

(b) the total current monthly fee for any non-titled, assigned or leased areas is: \$ _____.

9.3 Other terms: _____

10. CLOSING PROCESS

Closing Documents

10.1 The seller or seller's lawyer will deliver normal closing documents to the buyer or buyer's lawyer upon reasonable trust conditions consistent with the terms of this contract, including delivery within a reasonable time before the Completion Day to allow for confirmation of registration of documents at the Land Titles Office, obtain the advance of mortgage financing and verify the transfer of other value items.

10.2 If the Property is a bare land unit, closing documents will include an RPR showing the current improvements on the Property according to the Alberta Land Surveyors' Association Manual of Standard Practice, with evidence of municipal compliance or non-conformance and confirming the seller's warranties about the land and buildings. This obligation will not apply if there are no structures on the land. The buyer or buyer's lawyer must have a reasonable time to review the RPR prior to submitting the transfer documents to the Land Titles Office.

Payments and Costs

10.3 The buyer will pay the Purchase Price by lawyer's trust cheque, bank draft or electronic transfer.

10.4 Regardless of when a resolution for a special assessment contribution states that a levied payment is due and payable:

(a) the seller is responsible for special assessment payments passed by a resolution on or before 12 noon on Completion Day and will make such payments on or before Completion Day; and

(b) the buyer is responsible for special assessment payments passed by a resolution after 12 noon on Completion Day.

10.5 Items such as real estate property taxes, local improvement fees, utilities, rents, security deposits, statutory interest on security deposits, mortgage interest, homeowner association fees and monthly condominium contributions will be the seller's responsibility for the entire Completion Day and thereafter assumed by the buyer.

10.6 The seller's lawyer may use the Purchase Price to pay and discharge all of the seller's financial obligations related to the Property. The seller's lawyer will provide the buyer's lawyer, within a reasonable time after Completion Day:

(a) evidence of all discharges including, where required, a certified copy of the certificate of title; and

(b) an estoppel certificate, effective as of Completion Day, verifying payment of all applicable condominium contributions.

10.7 If the seller has entered into a written service agreement with a real estate brokerage, the seller instructs the seller's lawyer to honour the terms of that agreement, including the Fee and other costs payable to the seller's brokerage.

10.8 The seller will pay the costs to prepare the closing documents, including an RPR where required, costs to end an existing tenancy of the Property and provide vacant possession to the buyer, and costs to prepare, register and discharge any seller's caveat based on this contract.

10.9 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.

Closing Day Delays

10.10 If the seller fails to deliver the closing documents in accordance with clause 10.1 or 10.2, then:

(a) the buyer's payment of the Purchase Price and late interest will be delayed until the buyer or buyer's lawyer has received the closing documents and has a reasonable time to review and register them, obtain the advance of mortgage financing and verify the transfer of other value items; and

(b) if the buyer is willing and able to close in accordance with this contract and wants to take possession of the Property, then the seller will 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 at the interest rate of that mortgage.

10.11 If the seller has complied with clauses 10.1 and 10.2 but the buyer is not able to close in accordance with this contract, then:

(a) the seller may, but is not obligated to, accept late payment of the Purchase Price and give the buyer possession upon reasonable terms; and

(b) if the seller agrees to accept late payment of the Purchase Price and, whether or not possession is granted, the buyer will pay late interest at the prime lending rate of the 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 12 noon on any day will be payment as of the next Business Day.

10.12 The seller and buyer will instruct their lawyers to follow the Western Law Societies Conveyancing Protocol in the closing of this transaction, if appropriate.

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11. INSURANCE

11.1 The seller bears the risk of loss or damage to the Property until the Purchase Price is paid. If such loss or damage occurs before the Purchase Price is paid, any insurance proceeds will be held in trust for the seller and buyer based on their interests.

12. REMEDIES

12.1 If the seller or buyer fails or refuses to complete this contract, the other party may seek all remedies, such as claims for deposits and damages, and reasonable costs including legal fees and disbursements on a solicitor/client full indemnity basis.

12.2 On buyer default, if the seller must restore the Property title, enforce a lien against the Property or regain possession of the Property, the seller may seek costs and other remedies.

12.3 The seller and buyer agree that the Property is unique. On seller default, the buyer may make a claim for specific performance and other remedies.

13. NOTICE AND DOCUMENTS

13.1 A notice under this contract means a written document, including notices required by this contract, and this contract when accepted.

13.2 A notice is effective at the time the document is delivered in person or sent by fax or email.

13.3 Giving notice means the document is transmitted by one of these methods, and regardless of the method, the notice document is recognized as an original document.

13.4 For documents that require a signature, 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. AUTHORIZATION

14.1 The seller and buyer may each authorize a representative to send and receive notices as described above. Once authorized, notices will be effective upon being delivered in person or sent by fax or email to the authorized representative.

The seller authorizes:

The buyer authorizes:

Seller's Brokerage:

Buyer's Brokerage:

Name: _____

Name: _____

Address: _____

Address: _____

Brokerage Representative:

Brokerage Representative:

Name: _____

Name: _____

Phone: _____

Phone: _____

Fax: _____

Fax: _____

Email: _____

Email: _____

14.2 If the seller or buyer does not authorize a brokerage, then:

The seller authorizes: _____

The buyer authorizes: _____

14.3 If the authorization information changes, the seller and buyer agree to give written notice to the other party as soon as the change is known so that future notices may be sent to the proper person and place.

15. CONFIRMATION OF CONTRACT TERMS

15.1 The seller and buyer confirm that this contract sets out all the rights and obligations they intend for the purchase and sale of the Property and that:

(a) this contract is the entire agreement between them; and

(b) unless expressly made part of this contract, in writing:

(i) verbal or written collateral or side agreements or representations or warranties made by either the seller or buyer, or the seller's or buyer's brokerage or agent, have not and will not be relied on and are not part of this contract; and

(ii) any pre-contractual representations or warranties, howsoever made, that induced either the seller or buyer into making this contract are of no legal force or effect.

Seller initials _____

Buyer initials _____

16. LEGAL OBLIGATIONS BEGIN

16.1 The legal obligations in this contract begin when the accepted contract is delivered in person or sent by fax or email. The obligations bind the seller and buyer as well as their heirs, administrators, executors, successors and assigns.

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17. OFFER

17.1 The buyer offers to buy the Property according to the terms of this contract.

17.2 This offer/counter offer will be open for written acceptance until _____ .m. on _____, 20____.

Signed and dated at _____, Alberta at _____ .m. on _____, 20____.

Buyer Signature Witness Signature Witness Name (print)
Signed and dated at _____, Alberta at _____ .m. on _____, 20____.

Buyer Signature Witness Signature Witness Name (print)

18. ACCEPTANCE

18.1 The seller agrees to sell the Property according to the terms of this contract.

Signed and dated at _____, Alberta at _____ .m. on _____, 20____.

Seller Signature Witness Signature Witness Name (print)
Signed and dated at _____, Alberta at _____ .m. on _____, 20____.

Seller Signature Witness Signature Witness Name (print)

Non-owner spouse signature (when dower rights apply):

Signed and dated at _____, Alberta at _____ .m. on _____, 20____.

Non-Owner Spouse Signature Non-Owner Spouse Name (print)

Witness Signature Witness Name (print)

The following is for information purposes and has no effect on the contract's terms:

REJECTION

I do not accept this offer/counter offer. No counter offer is being made.

Date: _____ Date: _____
Seller: _____ Buyer: _____

CONVEYANCING INFORMATION

Seller's Information:

Address _____

Phone _____ Fax _____
Email _____

Buyer's Information:

Address _____

Phone _____ Fax _____
Email _____

Seller's Lawyer:

Address _____

Phone _____ Fax _____
Email _____

Buyer's Lawyer:

Address _____

Phone _____ Fax _____
Email _____

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