Contract of Sale of Commercial Property

This document is a Contract of Sale of Commercial Property (the “Agreement”) and is made and effective [DATE],

**BETWEEN: [YOUR COMPANY NAME]** (the "Seller"), a company organised and existing under the laws of the [STATE/PROVINCE] of [COUNTRY], located at:

[YOUR ADDRESS]

**AND: [PURCHASER]** ("Purchaser"), an individual with his main address located at OR a company organised and existing under the laws of the [STATE/PROVINCE] of [COUNTRY], with its head office located at:

[COMPLETE ADDRESS]

**RECITALS**

In consideration of the covenants and agreements of the respective parties, as set forth below, the Seller agrees to sell and convey to the Purchaser, and the Purchaser agrees to purchase and take from the Seller, the real property situated in [CITY], [STATE/PROVINCE], and particularly described as follows:

[SET FORTH LEGAL DESCRIPTION]

together with all improvements on the property and appurtenances to it, and the articles of equipment and other personal property listed in Appendix A, which is attached and incorporated by reference. The real and personal property described above is referred to as property.

Transfer to the Purchaser shall include all right, title, and interest of the Seller in and to all streets, alleys, roads, and avenues adjoining the real property, and shall further include any award for damaging or taking by eminent domain by public or *quasi*-public authority, of the real property or any part of it.

1. **PRICE**

The purchase price for the property is [AMOUNT], payable as follows:

[DESCRIBE TERMS]*.*

1. **TITLE; TENANCIES**
   1. Conveyance of title to the property shall be by warranty deed with full covenants, executed by Seller [IF APPROPRIATE, ADD: ACCOMPANIED BY A DULY CERTIFIED RESOLUTION OF THE BOARD OF DIRECTORS OF SELLER, AUTHORISING THE CONVEYANCE], to the Purchaser or the Purchaser’s nominees. Title to be conveyed shall be good and marketable, subject only to [SPECIFY ACCEPTABLE LIENS, ENCUMBRANCES, RESTRICTIONS, EASEMENTS AND OTHER BURDENS].
   2. The Property is presently occupied by [NUMBER] tenants under month-to-month tenancies or leases, as set forth in Appendix B, which is attached and made a part of this agreement. Transfer of title and possession to the property shall be subject to those tenancies, but all right, title and interest of the Seller in the property shall be transferred to the Purchaser or its nominees at the time of conveyance of title.
   3. Conveyance of title shall be made and the sale closed within [NUMBER] days after the date of this agreement. Title shall be evidenced by a standard form title insurance policy issued by [NAME OF TITLE COMPANY], insuring title to the property to be in Purchaser or its nominees, subject only to the matters set forth in this agreement
2. **ASSESSMENTS**

If, at the time of transfer of title, the property or any part of the property is subject to an assessment or assessments payable in instalments, all such instalments not due or delinquent at the time of transfer shall nevertheless be deemed to be due and payable at such time and as liens on the real property described above, and all such assessments shall be paid and discharged by Seller.

1. **ESCROW; PRO-RATION**
   1. Escrow shall be opened with [NAME OF ESCROW COMPANY]. Such instructions as the escrow company may require, not inconsistent with the provisions of this agreement, shall be signed and filed by the parties.
   2. The following items shall be prorated as of the close of escrow: rentals, real estate taxes due but not delinquent, prepaid insurance premiums [ADD OTHER ITEMS, AS APPROPRIATE].
   3. Escrow shall close when the escrow company is in a position to record all documents required under this agreement, make all disbursements, and [ISSUE OR SECURE]a title insurance policy.
2. **RISK OF LOSS; MAINTENANCE; TRANSFER OF POSSESSION**
   1. Risk of loss or damage by fire or other casualty to the property or any part of the property prior to the close of escrow shall be the risk of the Seller. In the event of such loss or damage prior to closing, this agreement shall not be affected but the Seller shall assign to the Purchaser all rights under any insurance policy or policies applicable to the loss. If action is necessary to recover under any casualty policy, the Seller shall grant permission to bring the action in the Seller’s name.
   2. Improvements and personal property described above shall be maintained in their present condition prior to the close of escrow by the Seller, wear from normal and reasonable use and deterioration excepted.
   3. Possession of the property, subject to the leases and tenancies referred to above, shall be transferred at the close of escrow.
3. **COMMERCIAL ZONING**

The Seller warrants that the property is zoned for commercial purposes and that all existing uses are lawful and within such zoning. The Purchaser plans the use of the property for [DESCRIBE PURPOSES]. The Purchaser intends to apply for a [BUILDING PERMIT OR AS THE CASE MAY BE] for such additional use, and for appropriate amendments to the existing zoning plan for the area in which the property is located. The Seller will cooperate fully with the Purchaser with respect to the contemplated plans. If the Purchaser is unable to proceed with the described project because of any adverse decision of [CITY], or any board, commission, or officer of [CITY], the Purchaser shall [STATE AGREED REMEDY, SUCH AS: REMIT [AMOUNT OF THE PURCHASE PRICE BY CREDITING THAT AMOUNT ON THE PURCHASE-MONEY MORTGAGE TO BE EXECUTED BY THE PURCHASER IN favour OF THE SELLER].

1. **BROKER’S COMMISSION**

A commission of [AMOUNT] has become due from the Seller to [NAME OF BROKER] by reason of the sale provided for in this agreement. That amount shall be paid to the broker at the close of escrow directly, from cash payable on close to the Seller.

1. **SURVEY**

Within [NUMBER] days after the date of acceptance of this contract, the Seller will provide and deliver to the Purchaser or the Purchaser’s Attorney, a new spotted certified survey having all corners staked and showing all improvements upon the Property.

1. **EXAMINATION OF TITLE AND TIME OF CLOSING**

If the title evidence and survey as specified above disclose that Seller is vested with fee simple title to the Property (subject only to the permitted exceptions set forth above acceptable to Purchaser), this sale shall be closed and the Purchaser shall perform the agreements made in this contract, at the office of the Purchaser’s Attorney, on or before [NUMBER] days after acceptance of this contract. If title evidence or survey reveal any defect or condition which is not acceptable to the Purchaser, the Purchaser shall, within [NUMBER] days, notify the Seller of such title defects and the Seller agrees to use reasonable efforts to remedy such defects and shall have [NUMBER] days to do so, in which case this sale shall be closed within [NUMBER] days after delivery of acceptable evidence to the Purchaser and the Purchaser’s Attorney that such defects have been cured. The Seller agrees to pay for and clear all delinquent taxes, liens, and other encumbrances, unless the parties otherwise agree. If the Seller is unable to convey to the Purchaser a good and insurable title to the Property, the Purchaser shall have the right to demand all sums deposited by the Purchaser and held by or for the Seller. At the same time, the Purchaser shall return to the Seller all items, if any, received from the Seller, whereupon all rights and liabilities of the parties to this contract shall cease. However, the Purchaser shall have the right to accept such title as the Seller may be able to convey and to close this sale upon the other terms as set forth in this contract.

1. **DEFAULT BY PURCHASER**

If the Purchaser fails to perform the agreements of this contract within the time set forth herein, the Seller may retain, as liquidated damages and not as a penalty, all of the initial deposit, it is being agreed that this is the Seller’s exclusive remedy.

1. **DEFAULT BY SELLER**

If the Seller fails to perform any of the agreements of this contract, all deposits made by the Purchaser shall be returned to the Purchaser on demand, or the Purchaser may bring suit against the Seller for damages resulting from the breach of contract, or the Purchaser may bring an action for specific performance. The Purchaser’s remedies are cumulative and not exclusive of one another, and all other remedies shall be available in either law or equity to the Purchaser for the Seller’s breach hereof.

1. **ATTORNEY FEES AND COSTS**

If any litigation is instituted with respect to enforcement of the terms of this contract, the prevailing party shall be entitled to recover all costs incurred, including, but not limited to, reasonable attorney's fees and court costs.

1. **CONDITION OF THE PROPERTY**

The Seller agrees to deliver the Property to the Purchaser in its present condition, ordinary wear and tear excepted, and further certifies and represents that the Seller knows of no latent defect in the Property. All heating, cooling, plumbing, electrical, sanitary systems, and appliances shall be in good working order at the time of closing. The Seller represents and warrants that the personal property conveyed with the premises shall be the same property inspected by the Purchaser and that no substitutions will be made without the Purchaser’s written consent. The Purchaser may also inspect or cause to be inspected the foundation, roof supports, or structural member of all improvements located upon the Property. If any such system, appliance, roof, foundation, or structural member shall be found defective, the Purchaser shall notify the Seller at or before closing and the Seller shall thereupon remedy the defect forthwith at its sole expense (in which case the time for closing shall be reasonably extended as necessary). If the costs of such repairs shall exceed [%] of the total purchase price, the Seller may elect not to make such repairs and the Purchaser may elect to take the Property in such defective condition and deduct [%] from the purchase price or the Purchaser may, at his/her option, elect to terminate this contract and receive the full refund of all deposits and other sums tendered hereunder. In addition, the Seller agrees to remove all debris from the Property by date of possession.

1. **OCCUPANCY**

The Seller shall deliver possession to the Purchaser no later than the closing date unless otherwise stated herein. The Seller represents that there are no persons occupying the Property. The Seller agrees to provide true and accurate copies of all written leases to the Purchaser within [NUMBER] days after the date of acceptance of this contract. Said leases are subject to the Purchaser’s approval. The Seller shall provide such letters notifying tenants to pay rent to the Purchaser after closing as the Purchaser may reasonably request. The Seller warrants that any rent rolls and other income and expense data provided to the Purchaser are complete and accurate, all of which must be acceptable to the Purchaser.

1. **NOTICES**

Any notices required to be given herein shall be sent to the parties listed below at their respective addresses either by personal delivery or by certified mail - return receipt requested. Such notice shall be effective upon delivery or mailing.

1. **BINDING EFFECT OF AGREEMENT**

This agreement and the covenants and agreements of it shall bind and inure to the benefit of the parties, and their respective heirs, personal representatives, successors and assigns. Unless the agreement otherwise requires, the covenants of this agreement shall survive the transfer of title.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written. [NUMBER] duplicate originals of the agreement have been signed.

SELLER PURCHASER

Authorised Signature Authorised Signature

Print Name and Title Print Name and Title

**APPENDIX A**

**IMPROVEMENTS, APPURTENANCES AND EQUIPMENT**