

BUYER BROKERAGE CONTRACT

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CONTRACT # _____

This Contract is between

THE BUYER

and

THE BUYER'S BROKERAGE (the "Brokerage")

Name _____

Brokerage Name _____

Name _____

Address _____

Address _____

(postal code)

Phone _____ Fax _____

Phone _____ Fax _____

Broker, associate broker or agent authorized to represent the Brokerage

Member of the _____ Real Estate Board (the "Board")

1. OTHER BUYER BROKERAGE CONTRACTS

1.1 Have you entered into any other buyer brokerage contract with a brokerage in Alberta during the last twelve months? Yes No

1.2 Are you currently in a buyer brokerage contract with another real estate brokerage? Yes No

(c) advise prospective sellers or their brokerages with whom the Brokerage is negotiating that they represent the Buyer;

(d) cooperate with brokerages which represent sellers of real estate;

(e) not disclose the Buyer's identity if instructed not to do so.

2. TERM OF THIS CONTRACT

2.1 The Buyer agrees to retain **only** the Brokerage:
(a) to find real estate suitable for the Buyer to Purchase and,
(b) to assist the Buyer in negotiating the terms of the Purchase.

2.2 The following properties are excluded from this Contract:

2.3 The Term of the Contract is effective today until 11:59 p.m. on _____
_____ (the "Expiry Date")
unless renewed/extended in writing.

5. ENDING THIS CONTRACT

5.1 This Contract will automatically end if the Brokerage:
(a) has had its licence to trade in real estate suspended or cancelled under the *Real Estate Act* (Alberta);
(b) ceases to be a member in good standing of a real estate board; or
(c) is bankrupt, insolvent, or in receivership.

5.2 Where a party to this Contract has breached the Contract, the other party may end the Contract by notice in writing to the party in breach.

5.3 The Brokerage may enforce clause 6.4(b) even if the Contract has ended or expired.

3. DUTIES OF THE BUYER

3.1 The Buyer agrees to:
(a) advise the Brokerage of real estate in which the Buyer is interested;
(b) provide the Brokerage with sufficient personal and financial information to enable the Brokerage to determine the Buyer's ability to Purchase real estate;
(c) negotiate in good faith the Purchase of any specific property in which the Buyer is interested.

4. DUTIES OF THE BROKERAGE

4.1 The Brokerage will:
(a) provide the Buyer with information about real estate listed on the Board's Multiple Listing Service® or such other real estate as the Brokerage is or becomes aware of and which may meet the Buyer's requirements;
(b) assist the Buyer at the Buyer's written request and expense to obtain inspections, real property reports, certificates of title and any other searches and additional information which the Buyer may require in order to decide whether to Purchase any specific property;

6. THE BROKERAGE'S COMPENSATION

6.1 The Brokerage's fee (the "Fee") shall be:
(a) the portion of the real estate commission, if any, paid to the Brokerage by the seller's brokerage respecting a transaction involving the Buyer (the "Collected Commission"), or
(b) _____
plus GST,
whichever is greater.

6.2 (a) As security for payment of the Fee when this Contract is signed, the Buyer will deposit with the Brokerage, to be held in trust, the sum of \$ _____ (the "Fee Deposit").

(b) The Brokerage is authorized to apply the Fee Deposit toward the Fee and applicable GST.

(c) The Fee Deposit shall be refunded to the Buyer not later than 90 days after the Expiry Date if the Fee is not earned according to clause 6.4.

6.3 If any Collected Commission plus the Fee Deposit:

(a) exceeds the Fee and GST, then the excess will immediately be paid by the Brokerage to the Buyer, or

- (b) is less than the Fee and GST, then the shortfall will immediately be paid by the Buyer to the Brokerage.
- 6.4 The Brokerage will be entitled to receive the Fee and the Buyer will be obligated to pay it, if:
 - (a)(i) during the term of this Contract, the Buyer enters into a contract for the Purchase of any specific property;
 - (ii) the obligations of the parties are (have become) unconditional; and
 - (iii) at the closing date the seller is willing and able to complete the transaction; or
 - (b) within 90 days after this Contract has ended, the Buyer enters into a contract for the Purchase of any specific property and during the term of this Contract the specific property was introduced to the Buyer by the Brokerage or through the efforts of the Brokerage.
- 6.5 Clause 6.4 will not apply if after this Contract has ended the Buyer has signed an agreement with a new brokerage and the Buyer is obligated to pay a fee to the new brokerage as a result of the Purchase of any specific property.
- 6.6 The Fee plus GST earned by the Brokerage shall be payable upon completion of the transaction. If there is an additional amount payable to the Brokerage, the Buyer will pay it upon completion of the transaction. In the event the Buyer refuses to complete the transaction, the Fee is due and payable within seven (7) days of demand by the Brokerage.

- 8.4 This Contract may be signed by the parties and transmitted by fax. This procedure will be as effective as if the parties had signed and delivered an original copy.
- 8.5 The Buyer warrants that, prior to completion, he/she 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*.

9. DEFINITIONS

- 9.1 In this Contract:
 - (a) "Buyer" is understood to include a tenant.
 - (b) "Buyer's Agent" means the licensed brokerage (including its broker, all associate brokers and agents) who represents the Buyer or tenant.
 - (c) "Lease" is a contract between an owner and a tenant that transfers to the tenant the right to use a piece of property for a specified length of time under specific conditions.
 - (d) "Purchase" includes any sale, agreement for sale, exchange or trade of property and a Lease, Offer to Lease, or a Lease with an option to purchase.
 - (e) "Purchase Price" means the total consideration to be paid by the Buyer either at the closing date or at some future described time.
 - (f) "Seller" is understood to include a landlord.
 - (g) "Seller's Agent" means the licensed brokerage (including its broker, all associate brokers and agents) who represents the seller or landlord.

7. AGENCY DISCLOSURE/ACKNOWLEDGMENT

- 7.1 You, the Buyer, have entered into an agency relationship under common law with the Brokerage, including its broker, all its associate brokers and agents (collectively referred to as the **Buyer's Agent**). A brokerage, its broker, associate brokers and agents representing a seller are referred to as the **Seller's Agent**.
- 7.2 The Buyer's Agent is obligated to protect and promote your interests. Specifically, the Buyer's Agent owes you the fiduciary duties of loyalty, obedience, confidentiality, reasonable care and skill, full disclosure and full accounting.
- 7.3 You, as the Buyer, and potential sellers may be represented by different brokerages (the Buyer's Agent and the Seller's Agent). Each of these Agents owes its client the full fiduciary duties listed above. Other brokerages representing sellers will *not* have a fiduciary relationship with you.
- 7.4 Dual Agency occurs when one brokerage (the Dual Agent), trading in real estate from one or more locations, represents *both* you and the seller, or more than one buyer, with respect to the potential purchase of a property. In such circumstances, the described fiduciary duties are limited as follows:
 The Dual Agent:
 - (a) will *not*, without prior written authority, disclose:
 - (i) to the seller that you will pay a price higher than the offered price (or countered price),
 - (ii) to you that the seller will accept a price lower than the listed price,
 - (iii) to the seller the reason that you are buying,
 - (iv) to you the reason the seller is selling, and
 - (v) to you or other buyers the terms and conditions of competing offers;
 - (b) except as set out in (a), will owe *no* duty of confidentiality and *will* disclose to you and the seller all facts known that materially affect or may materially affect the marketability or value of the specific property.
- 7.5 **The Buyer authorizes the Buyer's Agent to act as a Dual Agent according to the terms of this section.**

10. ACKNOWLEDGMENT

- 10.1 **The Buyer acknowledges that the Brokerage is being retained as a real estate broker, not as a lawyer, tax advisor, lender, appraiser, surveyor, structural engineer, property inspector, or other professional service provider.**
- 10.2 **This Contract creates binding legal obligations. The Buyer acknowledges that he/she has been advised to seek professional advice concerning the condition of any specific property that the Buyer might be introduced to and with respect to any legal and tax matters regarding the entering into of this Contract.**
- 10.3 **The Buyer authorizes the Brokerage to use, disclose and retain personal information provided for purposes relating to the real estate services provided by the Brokerage to the Buyer including:**
 - (a) locating, assessing and qualifying property for the Buyer;
 - (b) advertising on behalf of the Buyer;
 - (c) providing information as needed to third parties retained by the Buyer to assist in a transaction (e.g. financial institutions, building inspectors, etc.);
 - (d) such other use of the Buyer's information as is consistent with the services provided by the Brokerage.

The Buyer agrees that the sale and other related information regarding any property purchased by the Buyer through the Brokerage may be retained and disclosed by the Brokerage and/or the Board(s) as required for closing and for reporting, appraisal and statistical purposes.

THIS CONTRACT IS MADE AS OF

Date

Buyer

Buyer

Witness

Witness

Signature of broker, associate broker, or agent authorized to sign on behalf of the Brokerage

Buyers' initials to acknowledge they have received a copy of this Contract. _____

8. ADDITIONAL TERMS

- 8.1 All changes of number will be made where required.
- 8.2 This Contract will be governed by the laws of the Province of Alberta. The parties submit to the jurisdiction of the Courts in the Province of Alberta in any dispute that may arise out of this transaction.
- 8.3 The amount of the Fee is not fixed by law.