



Commercial Trading Services Applied Practice Course Component Two



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Overview

Disclaimer

The materials in this course and the class discussions are for educational purposes and are general in nature. The content and the discussions do not constitute legal or other professional advice. Licensees are responsible for exercising their own professional judgement in applying information to particular situations. Be mindful of confidentiality requirements and keep any discussions generic. Contact British Columbia Financial Services Authority (BCFSA) Practice Standards Advisors for further guidance.

Acknowledgments

British Columbia Financial Services Authority would like to thank the following who contributed their time and expertise. Your assistance in the creation of this course has been invaluable.

- Education Advisory Group;
- Course Instructors; and
- UBC Sauder School of Business, Real Estate Division.

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Component Two Intro

OVERVIEW OF THE COMMERCIAL TRADING SERVICES APPLIED PRACTICE COURSE (“CTSAPC”)

This course has four components that will take you approximately six months to complete.

This blended learning course offers both online and face-to-face (“virtual”) instruction. As you progress through the modules, you will see each component builds upon the previous and provides you opportunities to enhance your knowledge, skills and abilities to achieve competence as a new licensee.

Component One of this course is offered online and is made up of five modules each with a distinct focus. Module One focuses on agency, Module Two on conflicts of interest, Module Three on disclosure, Module Four on contracts and Module Five on Anti-Money Laundering. You have 14 days to complete Component One of the APC course. Please see your course registration documentation and course emails from your instructors for more information on your progression through the course.

Component Two of this course is a two-day face-to-face class which focuses on practical application and developing skills through scenarios. These two days are designed to be highly interactive.

Moving from Component Two to Component Three requires you to have a temporary licence from BCFSA.

You are encouraged to apply for licensing now, so that you are prepared to start Component Three as soon as you complete Component Two. Do not delay! Please visit [Real Estate Sales | BCFSA](#) to find out more about trading services licensing.

Component Three requires you be licensed in a brokerage. With the guidance of your managing broker and/or appointed individual, you will complete a series of practical field assignments related to a BC licensee’s daily activities. The practical field assignments provide specific completion criteria and are supported by online resources. You will submit your self-assessments for the practical field assignments online.

The final course component (Component Four) is the current Commercial iteration of the Legal Update Course. Please complete the current iteration and offering of the BCFSA Legal Update course in order to complete Component Four of the Commercial Applied Practice Course.

You must complete ALL activities—both online and in the classroom—within the timeframes set out in the course calendar to proceed from one component to the next. If you do not complete all activities, you may have to re-do the component(s).

Course Policies

We would like to remind you about the overall policies related to attendance, course completion and academic conduct. You agreed to the Applied Practice, Academic Non-Academic Misconduct and Classroom Participation policies when you registered for the course.

If you have any questions or difficulties related to the course, please contact:

For course content questions, please refer to the General Discussions area and/or email education@bcfsa.ca.

For course scheduling or other administrative questions, contact BCFSa at 604-660-3555/Toll free: 866-206-3030.

For technical support issues, please contact the Real Estate Division help desk at support@realestate.ubc.ca

Monitoring Your Progress

My Grades Legend

Please check in “My Grades” and refer to this legend:

A mark (such as 1/1) = activity has been completed.

 Blue circle = activity is in progress (you still need to press the save and submit button).

 Yellow exclamation mark = you have submitted something and it is waiting to be assessed.

-- Dashed line = activity has not been attempted.

Please note: Discussions will always appear as waiting to be assessed. Your instructors will email you by the 2nd Wednesday to update you on your progress.

Note: Discussions will always appear as waiting to be assessed. Your instructors will email you by the second Wednesday to update you on your progress.

You can track your progress in the “My Grades” tab on the left-hand side of the page.

Contacting Your Instructors

You are encouraged to post any general content questions in the “General Discussions” section as other learners will also benefit from the questions and responses. Alternatively, you are able to contact your instructors by emailing education@bcfsa.ca.

Technology

The following software is required for access to the course materials and completion of the course assignments. Most technical issues students encounter in the course can be resolved by ensuring that all the following are installed on your computer:

- A web browser capable of running Blackboard Learn, the virtual learning environment for the course. Blackboard Learn supports the following web browsers: Safari (version 6+), Firefox (version 31+), Chrome (version 36+), Edge (version 20+), and Internet Explorer (11+). Firefox and Chrome are highly recommended for this course.
- Adobe Reader (PDF reader). Most web browsers include a native PDF reader; however, the assignment forms in the course MUST be completed outside of your web browser using the full Adobe Reader program ([http:// get.adobe.com/reader](http://get.adobe.com/reader)).
- An office application suite capable of opening and editing Microsoft Word and Excel documents. For example: Microsoft Office, Apple Productivity Apps, Google Docs.

Throughout the CTSAPC, you will be receiving emails from BCFSa through a platform called “Wavelength” and from your instructors and markers from this platform, called “Blackboard”. Watch your junk mail to ensure these important emails do not end up there. Please add Blackboard and Wavelength to your safe list so that you do not miss important emails.

Introduction to Real Estate

In the welcome video Pamela Skinner, Vice-President of Regulatory Services, BCFSa introduced you to the course and the important skills and knowledge you will develop for a successful real estate practice. The following provides you with a brief overview of various members of the real estate industry.

Different Roles in the Real Estate Industry

Levels	Roles and responsibilities
Representative	<ul style="list-style-type: none"> • A licensee providing real estate services under the supervision of a managing broker; • Must be licensed with and engaged by a brokerage, and; • Must not provide real estate services except on behalf of that brokerage.
Associate Broker	<ul style="list-style-type: none"> • A licensee who meets the educational and experience requirements of a managing broker, but who provides real estate services under the supervision of a managing broker; • Must be licensed with and engaged by a brokerage; and • Must not provide real estate services except on behalf of that brokerage.

Levels	Roles and responsibilities
Managing Broker	<ul style="list-style-type: none"> • A licensee who meets the educational and experience required by the Real Estate Services Rules; • Is in active charge of a brokerage; • Responsible for exercising the rights conferred on the brokerage and for performing the duties imposed on the brokerage by its licence; and • Also responsible for the control and conduct of the brokerage's real estate business including supervision of the associate brokers and representatives who are licensed in relation to that brokerage.
Brokerage	<ul style="list-style-type: none"> • The brokerage is a licensed business on behalf of which its related licensees provide real estate services.

The Real Estate Services Regulation contains various exemptions from the requirement to obtain a licence before providing real estate services. For example, staff selling properties on behalf of the developer they are employed by, exemptions for caretakers employed by a strata corporation to provide some strata management services, working as an appraiser for an appraisal company. These exemptions do not apply and cannot be claimed by those who are already licensed.

Any real estate services you provide as a licensee must be done through the brokerage you are licensed with, even if an exemption exists in the Regulation for that activity.

Organized Real Estate

The real estate industry is comprised of several organizations, each of which play an important role, looking out for the interests of licensees, and also several organizations who provide continuing education and technological tools that licensees can use during the course of a trade in real estate.

These organizations include federal trade associations such as CREA, provincial trade associations such as BCREA and local boards. And, of course, BCFSA, your regulator, charged with protection of the public interest.

Below is a breakdown of some of the key players in the industry and how each influence you and your work.

BCFSA

Powers and Duties

BCFSA is crown corporation established by the provincial government. Its mandate is to protect the public interest by enforcing the licensing and licensee conduct requirements of *RESA*.

BCFSA is responsible for issuing and renewing all licences under *RESA*. You cannot trade in real estate without being licensed through BCFSA.

BCFSA is responsible for ensuring compliance with the requirements of *RESA*, the Regulations, and the Real Estate Services Rules ensuring that the interests of consumers who use the services of real estate licensees are adequately protected against wrongful actions by licensees. A wrongful action can be deliberate or may be the consequence of inadequate exercise of reasonable judgement by a licensee in carrying out the normal duties and responsibilities as a licensee while acting for the parties involved in the transaction. BCFSA can carry out investigations into complaints regarding the conduct of licensees and may hold a hearing to consider the complaint against the licensee.

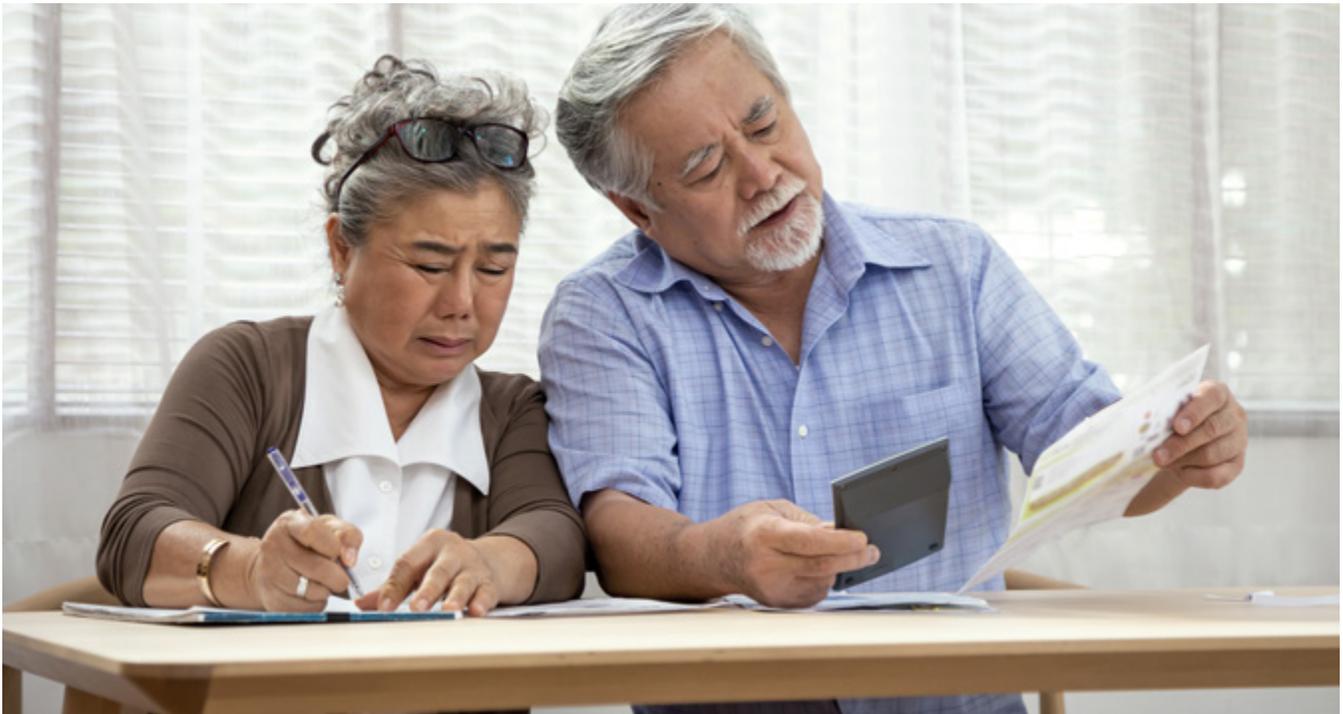
BCFSA is responsible for licensing real estate representatives, associate brokers, managing brokers, and brokerages engaged in real estate sales, rental property management, and strata management. BCFSA also enforces entry qualifications, investigates complaints against licensees, and imposes disciplinary sanctions under *RESA*. BCFSA administers the educational and experience requirements as set out in the Rules, assesses all applications, and may conduct an investigation or hold a hearing before a licence is issued. BCFSA may refuse to issue a licence or may issue a licence with conditions.

BCREA and the Local Real Estate Boards

Unlike BCFSA, membership with CREA, BCREA, and a local board is completely voluntary and is not tied to licensing. BCREA is a provincial trade association which represents local real estate boards in the province and their approximately 23,000 REALTORS® on all provincial issues, providing an extensive communications network, government relations and advocacy, standard forms and economic research and analysis. BCREA's website (www.bcrea.bc.ca) contains current information and resources you will use in this course, and as a licensee in your ongoing practice.

You must be a member of BCREA and a local board to use the term REALTOR®, and to have access to the MLS® System which is a property database that many licensees utilize to market properties for clients and create market analyses to determine approximate property values for their clients.

Boards and the provincial association also provide many continuing education opportunities.



Commercial Contract of Purchase and Sale

SCENARIO ONE: BRANDI AND BODHI BUYER

What the World Sees of Brandi and Bohdi:

Brandi and Bohdi have been married for over 40 years and have three sons. They purchased their first single unit commercial property in 1980 and have run a small Italian restaurant from there ever since. They rely heavily on their eldest son, Gio, who is a lawyer, for his expertise and judgment.

Brandi

Brandi is in her mid-60s and is a chef who has worked at her family restaurant for over 40 years. She is attached to her property as it holds so many memories but realizes that the demand for more seating means they have outgrown the space they currently occupy. Brandi, her husband, and her children have all worked at the business as it grew and know that it's time to sell the property and buy a larger space.

Brandi's Hidden Characteristics:

- She does not actually want to sell the commercial property. She would prefer to downsize the company so that they can stay where they are, but is feeling pressured by her husband and son; and
- She has some health concerns and does not cope well with stress.

Brandi's Character Summary:

- Outwardly kind, polite, and trusts her husband's judgment; and
- Can be very inquisitive and overly cautious.

Bohdi

Bohdi has done most of the property maintenance and repair work himself (often without obtaining the required permits) over the years, and is a bit of a know-it-all. He is in his late 60s and awaiting hip replacement surgery. As a result, he is tired of the ongoing maintenance involved in caring for an older commercial property and wants to sell and upgrade to something newer and larger.

Sanjay's Hidden Characteristics:

- He is defensive about the lack of permitting obtained for the site renovations; and
- He is skeptical of employing the services of other people.

Sanjay's Character Summary:

- A bit of a know-it-all, but reasonable.

Linda Lista**What the World Sees of Linda:**

Linda has been licensed for fifteen years and has established herself in the mid size commercial property market. Her reputation is that she works hard to find her clients the best property for their business, at the best price, and in the shortest period of time. Her business is built on referrals from previous clients, and she finds this to be the best way to meet interested buyers who are downsizing.

Linda's Hidden Characteristics:

- She believes that the key to success is the volume of sales.

Linda's Character Summary:

- Knowledgeable, confident, and successful.

Larry Lister**What the World Sees of Larry:**

He is a new licensee with only two other commercial transactions under his belt. He is very eager to build his real estate career. His two transactions went very well, and he received glowing endorsements from those clients. He prefers working with buyers as he learns the industry and is still not comfortable listing a property on his own.

Larry's Hidden Characteristics:

- Larry relies on the assistance of more experienced licensees at his brokerage for help when he is unsure about what to do.

Larry's Character Summary:

- Eager to learn, confident, and successful; and
- Refer back to review each character's personal traits.



Scene One: Disclosure of Representation in Trading Services

On Wednesday morning, Larry Lister, a new licensee, runs into Brandi and Bohdi Buyer, friends of his parents, in front of his favourite coffee shop on the corner of Howe and Pender. Excited to see him, Bohdi tells him that he and Brandi have decided to sell their small restaurant and want to open a much larger restaurant in the burgeoning Downtown East side. He thinks it's serendipitous that they ran into each other, and that Larry is now a licensee.

Larry can't wait to build his commercial real estate career and is thrilled that this may be his opportunity to work on his first commercial restaurant property deal. They make an appointment to meet at his office to document the agency relationship and obtain more information about what Brandi and Bohdi are looking for.

Brandi and Bohdi tell Larry that they require a space of at least 3,000 square feet that is also zoned for a restaurant. Since they will be selling their existing restaurant, they have all their own equipment and won't be needing any chattels with the sale. They do not, however, want to spend a lot of time or money renovating and ideally would like a turn-key property.

They tell Larry about a property they saw which had a sale sign in the window. Larry knows the property is in an area of town that is becoming more gentrified every month and has been seeing a lot of development recently. Because Brandi and Bohdi want to open a restaurant, they believe location is perfect. Brandi is sure a lot of people who frequent similar businesses in the area will find out about her lunch specials, and word will spread quickly.

Larry actually knows of the listed property through one of his other clients, Jim Burrows. Jim mentioned it as a possible property of interest to him and asked Larry to keep it in mind for the future (though Jim has not expressed any actual plans or intent to purchase the property).

Brandi tells Larry that she thinks the property is unoccupied and that Bernie Baker, a popular and well-respected figure in the business community, owns it. Apparently, many years ago, the property was a bakery and then a coffee shop, but most recently it has been sitting empty.

Brandi and Bohdi want to negotiate a deal as soon as possible. They are willing to spend up to \$4,500,000, but of course want the best deal they can get as they want to keep some of that money for other purposes. Larry assures them that he will make clear to the Seller that they wish close quickly.

At his office, Larry confirms that Brandi and Bohdi are interested in working with him. He reviews the Disclosure of Representation in Trading Services Form with both of them and has them sign the document along with the Privacy Notice and Consent Form.

Larry explains that he must see some government issued photo ID from Brandi and Bohdi to satisfy the FINTRAC requirements of the government. He completes the form himself with the required information from their ID's and then returns them to Brandi and Bohdi. He also reviews the results of the LOTR search he performed on the clients and discusses his Anti-Money Laundering (AML) obligations with them.

In this scene the characters will:

- Introduce themselves;
- Review the Disclosure of Representation in Trading Services form;
- Discuss the Privacy Notice and Consent form;
- Acknowledge an agency relationship in writing;
- Complete the FINTRAC Individual Identification Information Record forms and discuss AML obligations; and
- Discuss the results of the Land Owner Transparency Registry (LOTR) search.

Scene One resources

These are the supporting resources in this scene:

- Disclosure of Representation in Trading Services form;
- Privacy Notice and Consent form;
- Two, FINTRAC: Individual Identification Information Record forms (one for each buyer); and
- LOTR search results.



Disclosure of Representation in Trading Services: A Guide for Real Estate Professionals

OVERVIEW

This guide is intended to help licensees use the Disclosure of Representation in Trading Services form with consumers.

The Disclosure of Representation in Trading Services form is a mandatory BCFSA approved form and may not be modified or altered.

The form allows licensees to disclose the type of representation they will be offering a consumer and whether they are able to treat them as a client or as an unrepresented party.

Client: In this type of agency relationship, the consumer has engaged a licensee to provide services on their behalf. The licensee will owe the client fiduciary duties including:

- Undivided loyalty;
- Avoiding conflicts of interest;
- Disclosing material information; and
- Protecting confidentiality.

Unrepresented party: In this case, the consumer will be in a no agency relationship with the licensee, meaning the licensee is not working on their behalf in a transaction. A licensee may still provide some limited trading services to the consumer including:

- Providing general market information, standard form contracts and other relevant documents, without providing any advice;
- Helping fill out a standard real estate contract (without providing advice on terms or conditions); and
- Presenting offers or counteroffers.

Who Must Make this Disclosure?

If you are licensed for...	When the form must be provided
Trading services	<p>Make this disclosure to a consumer before providing any trading services, including:</p> <ul style="list-style-type: none"> • Advising on the appropriate price for the real estate; • Making representations about the real estate (see exception below); • Finding the real estate for a party to acquire; • Finding a party to acquire the real estate; • Showing the real estate (see exception below); • Negotiating the price of the real estate or the terms of the trade in real estate; • Presenting offers to dispose of or acquire the real estate; and • Receiving deposit money paid in respect of the real estate. <p>Exception: you do NOT need to make this disclosure if you are only:</p> <ul style="list-style-type: none"> • Hosting a showing; or • Answering general questions provided you don't exchange information with a consumer about the motivation, financial qualifications or real estate needs.
Rental property management services (applies to trading services in relation to rental property only)	Make this disclosure to a consumer before providing any trading services (see items above).
Strata management services	You do not need to make this disclosure.

Understanding the Form

The Disclosure of Representation in Trading Services form contains two key sections:

- **Part One: Consumer Page 'Your Relationship with a Real Estate Professional':** This page explains the differences between being represented as a client and working with a licensee as a non-client in a real estate transaction. It describes the benefits to consumers of being represented as a client by a licensee.
- **Part Two: Information fields to be completed by you:** This page is used to document that the disclosure form has been provided to the consumer.



PURPOSE

The form helps consumers to be well-informed about the services they can expect of a licensee and introduces key information that is important for consumers to know, such as the difference between being a client of a licensee and a non-client.

Before providing any trading services to a consumer, as a licensee you must disclose whether or not you will represent them as a client.

You must make the disclosure in writing, using BCFSA's Disclosure of Representation in Trading Services form.

When Must You Make this Disclosure?

Make this disclosure to a consumer before providing any trading services, including:

- Advising on the appropriate price for the real estate;
- Making representations about the real estate (see exception below);
- Finding the real estate for a party to acquire;
- Finding a party to acquire the real estate;
- Showing the real estate (see exception below);
- Negotiating the price of the real estate or the terms of the trade in real estate;
- Presenting offers to dispose of or acquire the real estate; and
- Receiving deposit money paid in respect of the real estate.

Exception: You do NOT need to make this disclosure if you are only:

- Hosting a showing; or
- Giving factual responses to general questions provided you don't exchange information with a consumer about their motivation, financial qualifications or real estate needs.

DEFINITIONS OF TERMS IN THE DISCLOSURE FORM

Agency: a type of relationship where the agent has the authority to represent and act for the consumer in dealing with others.

Client: the principal who has engaged the licensee to provide real estate services to or on behalf of the principal.

Non-client/unrepresented party: a party to the trade in real estate who is not a client of a licensee for the trade in real estate.

Conflict of interest: a situation where there is a substantial risk that the agent's representation of a client would be negatively affected by the agent's own interests or by the agent's duties to another current client, a former client, or a third party.

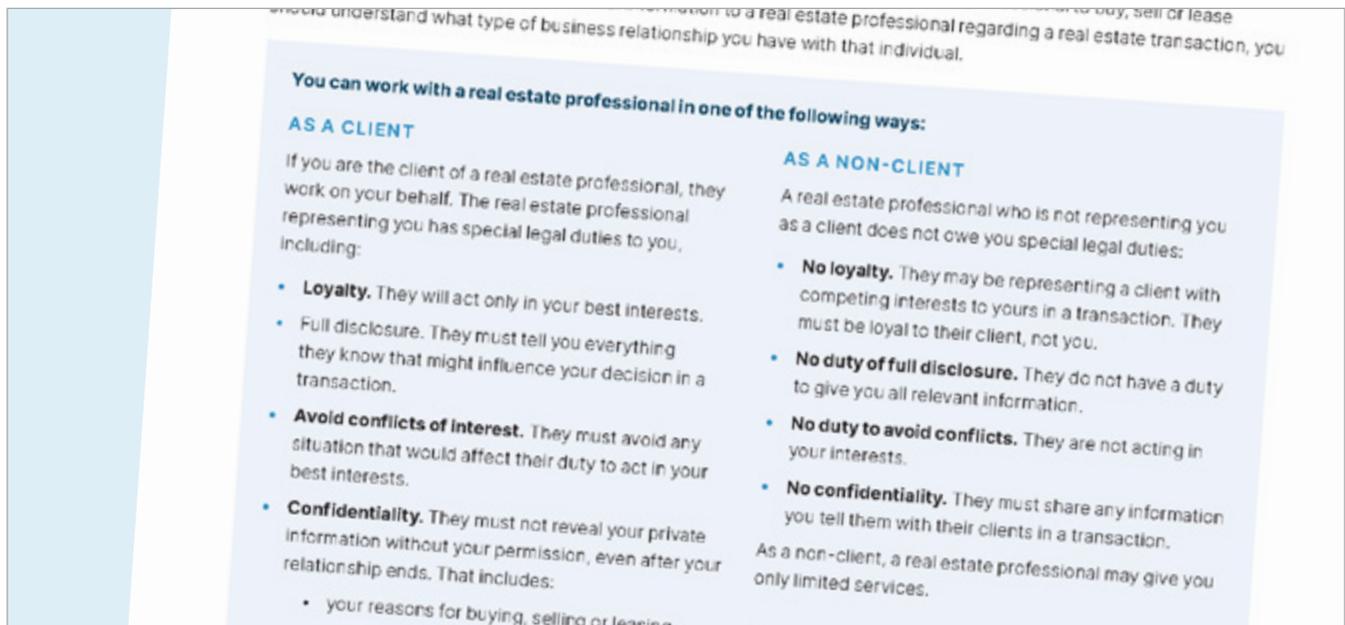
Confidential information: any information about a client that is not available to the public. That can include the client's finances, personal situation, motivations or needs.

USING THE FORM

Before providing any trading services to a consumer, as a licensee you must disclose whether or not you will represent them as a client.

Step One: Discuss the Form with the Consumer

Take time to review the first page of the form with the consumer and discuss any questions or concerns the consumer may have. Explain any unfamiliar terms using the definitions included above.



Step Two: Complete the Mandatory Licensee Confirmation

The form contains mandatory fields that licensees must complete.

Your Relationship with a Real Estate Professional

DISCLOSURE OF REPRESENTATION IN TRADING SERVICES

This is a required disclosure form in compliance with sections 54 of the Real Estate Services Rules. Your real estate professional must present the Your Relationship with a Real Estate Professional information page to you along with this disclosure form.

REAL ESTATE PROFESSIONAL DISCLOSURE DETAILS

I disclose that I am (check one):

representing you as my client

not representing you as a client

Name _____

Team name and members, if applicable. The duties of a real estate professional as outlined in this form apply to all team members.

Step Three: Invite the Consumer to Complete the Optional Consumer Confirmation

Consumers can initial the form to acknowledge that they have received the disclosure.

While it is always best evidence that this disclosure was made to the consumer at the appropriate time if it is dated and initialed, there is no legislation that compels a consumer to complete the consumer portion of it. If a consumer chooses not to initial the disclosure, you can use the Notes section to document that you presented the consumer with the form.

It is also prudent to follow up your discussion with an email to the consumer confirming the relationship information, and that they chose not to complete or sign the form.

You may also use the Notes section to indicate the date and time the disclosure form was provided, the circumstances (e.g. “consumer started to discuss their budget”), or any other details that may be relevant.

The image shows two versions of a consumer acknowledgment form. The left version is a close-up of the top section, showing fields for "Team name and members, if applicable. The duties of a real estate professional", "Signature", and "Notes:". The right version is a full screenshot of the form, including a "CONSUMER ACKNOWLEDGMENT" section with a "This is NOT a contract" warning, and fields for "Name (optional)", "Initials (optional)", and "Date". The BCFS logo and "BC Financial Services Authority / You're Protected bcfsa.ca" are visible at the bottom right.

Step Four: Give the form to the consumer and submit a copy to your brokerage

You should give the completed form to the consumer for their information. Be sure to retain a copy of the signed and dated form to submit to your brokerage.

If the consumer is willing to provide an e-mail address, you can:

- Send them copies of the disclosure forms;
- Review the forms and answer any questions; and
- Then continue the conversation after completing the forms.

You do not need to send BCFS a copy of this form unless it is specifically requested.

For more information, please visit: <https://www.recbc.ca/guide-to-disclosure-of-representation-in-trading-services/#/>

Your Relationship with a Real Estate Professional

Real estate professionals have a regulatory requirement to present you with this consumer information before providing services to you.

This information explains the different relationships you can have with a real estate professional to buy, sell or lease property. Before you disclose confidential information to a real estate professional regarding a real estate transaction, you should understand what type of business relationship you have with that individual.

BC Financial Services Authority is the legislated regulatory agency that works to ensure real estate professionals have the skills and knowledge to provide you with a high standard of service. All real estate professionals must follow rules that help protect consumers, like you. We're here to help you understand your rights as a real estate consumer.

Keep this information page for your reference.

You can work with a real estate professional in one of the following ways:

AS A CLIENT

If you are the client of a real estate professional, they work on your behalf. The real estate professional representing you has special legal duties to you, including:

- **Loyalty.** They will act only in your best interests.
- **Full disclosure.** They must tell you everything they know that might influence your decision in a transaction.
- **Avoid conflicts of interest.** They must avoid any situation that would affect their duty to act in your best interests.
- **Confidentiality.** They must not reveal your private information without your permission, even after your relationship ends. That includes:
 - your reasons for buying, selling or leasing
 - your minimum/maximum price
 - any preferred terms and conditions you may want to include in a contract

When you become a client, you may be asked to sign a written agreement setting out your and the real estate professional's responsibilities.

AS A NON-CLIENT

A real estate professional who is not representing you as a client does not owe you special legal duties:

- **No loyalty.** They may be representing a client with competing interests to yours in a transaction. They must be loyal to their client, not you.
- **No duty of full disclosure.** They do not have a duty to give you all relevant information.
- **No duty to avoid conflicts.** They are not acting in your interests.
- **No confidentiality.** They must share any information you tell them with their clients in a transaction.

As a non-client, a real estate professional may give you only limited services.

Whenever a real estate professional works with you in a real estate transaction, whether you are their client or not, they have a responsibility to act honestly and with reasonable care and skill.

Your Relationship with a Real Estate Professional

DISCLOSURE OF REPRESENTATION IN TRADING SERVICES

This is a required disclosure form in compliance with sections 54 of the Real Estate Services Rules. Your real estate professional must present the Your Relationship with a Real Estate Professional information page to you along with this disclosure form.

REAL ESTATE PROFESSIONAL DISCLOSURE DETAILS

I disclose that I am (check one):

- representing you as my client
 not representing you as a client

Name

Team name and members, if applicable. The duties of a real estate professional as outlined in this form apply to all team members.

Signature

Date

Notes:

CONSUMER ACKNOWLEDGMENT:

This is NOT a contract

I acknowledge that I have received the **Your Relationship with a Real Estate Professional** consumer information page and this disclosure form.

Name (optional)

Name (optional)

Initials (optional)

Date

Initials (optional)

Date

A copy of this disclosure is not required to be provided to BC Financial Services Authority unless it is specifically requested.

Obtaining Informed Consent

THE IMPORTANCE OF EARLY DISCLOSURE

The disclosure requirements are designed to ensure that consumers have the relevant information they need to make informed decisions in a real estate transaction.

It is essential to have a consumer's informed consent before a brokerage or any of its related licensees acts on their behalf.

You must make a disclosure of representation in trading services to the consumer before providing them with any type of trading services to a consumer.

This means providing the disclosure before:

- Advising on the appropriate price for the real estate;
- Making representations about the real estate;
- Finding the real estate for a party to acquire;
- Finding a party to acquire the real estate;
- Showing the real estate;
- Negotiating the price of the real estate or the terms of the trade in real estate;
- Presenting offers to dispose of or acquire the real estate; and
- Receiving deposit money paid in respect of the real estate.

You should also provide the disclosure before learning any of the consumer's confidential information, such as their maximum/minimum price or preferred terms. If not, you run the risk of creating an implied agency relationship with the consumer. An agency relationship may be created by conduct, when a licensee's actions lead the consumer to believe that the licensee is acting on their behalf.

Giving a consumer advice can create an agency relationship that you did not intend (implied agency) — so be sure that you are clear with yourself and with consumers about whether they are your client.

Ensuring that consumers are well-informed and well-protected requires you to do more than just make sure that the right forms are signed.

Make sure you:

- Engage in clear and open communication with clients, potential clients and unrepresented parties;
- Engage in active listening to understand consumers' expectations and questions;
- Use your professional judgement;

- Take time to ensure there is mutual understanding between you and the consumer and that the consumer is making fully informed choices; and
- Make sure you carefully document conversations and agreements, to prevent misunderstandings later.

Licenses who fulfill their disclosure obligations by obtaining informed consent can reduce their risk of consumer complaints and help ensure the integrity of the real estate industry.

While BCFSAs requires to you to complete the Disclosure of Representation in Trading Services form and retain it in the brokerage file, if you are a member of BCREA, you will also be required to complete a Privacy Notice and Consent form which provides additional information to consumers regarding how their personal information may be used.

BCrea
British Columbia Real Estate Association

PRIVACY NOTICE AND CONSENT

To help you sell, buy or lease real estate, REALTORS®, brokerages and real estate boards need to collect, use and disclose some of your personal information. This form provides you with information about, and obtains your consent to, such information handling practices.

DEFINITIONS

Personal Information means any identifiable information about you, including your name, address, phone number, financial information and may include information about your property (such as listing and selling price, lease rate, listing term, etc.).

A **REALTOR®** is a member of a real estate board, the British Columbia Real Estate Association (BCREA) and of The Canadian Real Estate Association (CREA). REALTORS® in BC are licensed under the Real Estate Services Act. Brokerage refers to the real estate company where your REALTOR® is licensed. The boards are British Columbia real estate boards that are members of BCREA. REALTORS® provide MLS® services, which are professional services to effect the purchase and sale of real estate as part of a co-operative selling system, otherwise known as an MLS® System. A **MLS® System** is a member-to-member cooperative selling system for the purchase, sale or lease of real estate that is owned or controlled by a board, includes an inventory of listings of participating REALTORS®, and ensures a certain level of accuracy of information, professionalism, and cooperation amongst REALTOR® members.

How is my personal information collected?
Most personal information will be collected directly from you through the contracts and other documents you fill out (e.g., Multiple Listing Contract, Contract of Purchase and Sale, Offer to Lease, seller's Property Disclosure Statement) and through discussions you have with the REALTOR® to whom you are giving this consent. Some information may be collected from other sources such as government departments and agencies (e.g., Land Title Offices, BC Assessment), financial institutions and mortgage brokers.

To whom may my personal information be disclosed?
Your information may be disclosed to (or may be accessible by) the boards and their staff and members, other REALTORS® and their clients, government departments and agencies, financial institutions, legal advisors, service providers, RRECA, the Real Estate Council of British Columbia (RECBC), CREA and members of the public, for the purposes described below.

Not all of your information will be accessible to each of the above-mentioned entities. For example, once the listing term has ended, the general public will not have access to your information, unless it is otherwise available through public registries or publications (e.g., Land Title Offices, BC Assessment, REALTOR.ca).

Your personal information may be transferred to or stored in a foreign country, in which case the governments, courts, law enforcement, or regulatory agencies of that country may be able to obtain access to your personal information through the laws of that foreign country.

Why is my personal information collected, used and disclosed?
Your personal information may be collected, used and disclosed for some or all of the primary uses set out below:

- To list/market your property on the MLS® System in accordance with the terms and conditions of the MLS® System and the boards.
- To allow members or real estate boards (including REALTORS® and appraisers) to value your property.
- To market your property through any other media (both print and electronic).
- To help you locate a suitable property to buy or lease.
- To facilitate the purchase and sale or lease transaction both before and after the completion of your transaction or entering into of your lease (including by cooperating with financial institutions, legal advisors, government departments and agencies and third parties engaged in connection with the purchase and sale or lease transaction, such as photographers, appraisers and other service providers, and by communicating with you to coordinate any or the merging or to ensure your satisfaction with any of the merging and the real estate services provided to you in connection with the transaction).

1) To allow the boards (including REALTORS®) to compile current and historical statistics on sales and property prices and lease rates, and to conduct comparative market analyses. Information about your property will be retained in the MLS® System and handled in accordance with its and the boards' terms and conditions, and published by the boards from time to time for these purposes after your property has sold or leased or your listing has expired (if you are a seller/landlord) and after you have purchased or leased your property (if you are a buyer/tenant).

1g) To enforce codes of professional conduct and ethics for REALTORS® (by cooperating with the boards, BCREA, RECBC, CREA and other regulatory bodies).

1h) To comply with legal requirements and to act pursuant to legal authorizations.

The above-mentioned primary uses are a necessary part of your relationship with the REALTOR® to whom you are giving this consent.

Will my personal information be collected, used and disclosed for any other purposes?
Your personal information may also be collected, used and disclosed for the secondary uses set out below. These secondary uses are optional, if you do not want your personal information used or disclosed for any of these secondary uses, you may opt out of granting consent to any of them by initialing the "Opt Out" box(es) to the right of the secondary use(s) to which you do not want to consent.

- The REALTOR® to whom you are giving this consent (or their brokerage) may communicate with you in the future to determine whether you require additional real estate services. Opt Out
- The REALTOR® to whom you are giving this consent (or their brokerage) may communicate with you to provide information about other products or services that may interest you.
- Other REALTOR® may communicate with you to determine if you require additional real estate services.
- The boards, and other REALTOR® or their brokerage (and survey firms on their behalf) may communicate with you to participate in surveys.

You may withdraw your consent to any or all of the secondary uses in the future by contacting the REALTOR® to whom you are giving this consent or that REALTOR®'s board's privacy officer.

Contact information for all boards can be obtained from BCREA (website www.bcrea.bc.ca or telephone 604.683.7702).

ACKNOWLEDGEMENT

I/We consent to the collection, use and disclosure of personal information as described in this privacy notice and consent form.

PRINT NAME _____
SIGNATURE _____
DATE _____

PRINT NAME _____
SIGNATURE _____
DATE _____

REALTOR® _____
BROKERAGE _____

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SCENE ONE: DEBRIEF QUESTIONS

1. What worked well in this scene? What did not work well? What questions arose when you were acting out the scene?

2. Why is it important for a licensee to make the disclosure to consumers about the type of representation before providing any trading services?

3 . Does Jim Burrow’s (Larry’s other new client) expression of interest in the same property that Brandi and Bodhi want to purchase pose a problem? Why or why not? If so, at what point of the conversation should Larry have considered and addressed this issue?

Scene Two: Reviewing a Buyer's Agency Exclusive Contract

Larry continues on and explains that all buyers he works with sign a Buyer's Agency Exclusive Contract, and that this contract protects both him, and Brandi and Bohdi by outlining all the obligations the brokerage owe to Brandi and Bohdi, and what Brandi and Bohdi are expected to do as well. The contract also explains the remuneration Larry expects to receive from the sellers, and the options available should a seller not be providing that cooperating commission.

Larry reviews the Buyer's Agency Exclusive Contract and the services to be provided under the Schedule "A". He assures them that he will continue to work with them until they purchase a property, whether this one or another. Larry opens the scene by reviewing the Buyer's Agency Exclusive Contract in its entirety.

In this scene, the characters will:

- Review the Buyer's Agency Exclusive Contract.

Scene Two resources

This is the supporting resource in this scene:

- Buyer's Agency Exclusive Contract and Schedule "A".



INFORMATION ABOUT THE BUYER'S AGENCY EXCLUSIVE CONTRACT
BUYER'S AGENCY EXCLUSIVE CONTRACT

THIS INFORMATION IS INCLUDED FOR THE ASSISTANCE OF THE PARTIES ONLY. IT DOES NOT FORM PART OF THE CONTRACT AND SHOULD NOT AFFECT THE PROPER INTERPRETATION OF ANY OF ITS TERMS.

1. The Buyer's Agency Exclusive Contract when signed by both parties is a legally binding contract. **READ IT CAREFULLY.** The parties should ensure that everything that is agreed to is in writing.
2. Buying real estate can be a very rewarding experience. Property owners generally experience pride of ownership and in many cases a financial gain over the long term. The process of buying real estate is relatively complex and for this reason many buyers seek the help and professional expertise of a licensed REALTOR® and their real estate brokerage.
3. It is recommended that the relationship between the parties should be in writing in the form of a Buyer's Agency Exclusive Contract. This will ensure that the parties will have a complete understanding of their rights and responsibilities. Each party will know what they can expect from the other and what is expected from them. This is similar to the common practice of sellers entering into a listing contract when selling a property. Real estate brokerages cooperate with each other to bring buyers and sellers together. This cooperation will help bring you the best selection of properties which meet your individual requirements.
4. The topic of compensation to the real estate brokerage should be thoroughly discussed. The discussion should include the amount of compensation, sources of payment and when the payment is to be made.
5. **RESIDENCY:** When completing their residency and citizenship status, the buyer and the seller should confirm their residency and citizenship status and the tax implications thereof with their lawyer/accountant.
6. REALTORS® are trained to provide valuable assistance to buyers in the following areas:
 1. Identifying desirable types of properties to acquire
 2. Locating properties available to view and consider
 3. Preliminary investigation and timely information gathering
 4. Viewing properties and providing guidance and advice
 5. Selecting the right property on which to make an offer
 6. Preparing a legally binding Contract of Purchase and Sale
 7. Negotiating favourable terms and conditions
 8. Assisting in seeking suitable financing if necessary
 9. Assisting in arranging property inspections and other needed services
 10. Assisting in the completion and possession process

These and other services can be documented on a schedule attached to the contract.

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- B. The Designated Agent will not disclose to other licensees, including licensees of the Buyer's Brokerage who represent sellers or other buyers, any confidential information of the Buyer obtained through the Designated Agent's agency relationship with the Buyer unless authorized by the Buyer or required by law.
- C. The Buyer agrees that:
 - (i) an agency relationship will exist only with the Designated Agent;
 - (ii) information obtained by the Designated Agent through the Designated Agent's agency relationship with the Buyer will not be attributed to the Buyer's Brokerage or to other licensees of the Buyer's Brokerage who represent sellers or other buyers; and
 - (iii) no agency relationship will exist with the Buyer's Brokerage.

3. THE DESIGNATED AGENT WILL:

- A. Act as the agent of only the Buyer with respect to a property in which the Buyer becomes interested;
- B. Subject to Clause 4A use reasonable commercial efforts to promote the interests of the Buyer;
- C. At the earliest reasonable opportunity, advise any seller of property in which the Buyer becomes interested that the Designated Agent is the agent of the Buyer;
- D. Obey all lawful instructions of the Buyer that are consistent with the Real Estate Services Act, the Real Estate Services Rules, The REALTOR® Code, and all applicable Rules and Bylaws of the real estate board or association including related Regulation and Policies;
- E. Fulfill the duties set out in (i) Real Estate Services Rule 30, except as modified or made inapplicable by agreement between the Buyer's Brokerage and the Buyer, and (ii) Real Estate Services Rules 33 and 34;
- F. Make the Buyer aware of properties located in the Market Area listed with the Multiple Listing Service® for the Market Area, and such other properties that the Designated Agent is aware of, which may meet the Buyer's requirements.

4. THE BUYER'S BROKERAGE AGREES:

- A. That the services as may be set out in Schedule "A" if attached will be provided;
- B. To monitor and supervise the activities of the Designated Agent to ensure compliance by the Designated Agent with the provisions of this Contract and with the Buyer's Brokerage's policies and procedures governing designated agents;
- C. Not to disclose confidential information of the Buyer to any person unless authorized by the Buyer or required by law;
- D. To treat the interests of the Buyer and all sellers and other buyers also represented by the Buyer's Brokerage in an even handed, objective and impartial manner; and
- E. To hold all monies received by the Buyer's Brokerage in trust in accordance with the *Real Estate Services Act*.

5. THE BUYER AGREES:

- A. Not to use the services of any other brokerage or licensee, within the Market Area, during the term of this Contract;
- B. To advise the Designated Agent of properties within the Market Area in which the Buyer is interested;

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- C. To provide the Designated Agent with sufficient information to enable the Designated Agent to determine the Buyer's ability to purchase or to obtain a mortgage of a property;
- D. To negotiate in good faith the purchase of property in which the Buyer is interested, provided that the property and the terms of purchase are satisfactory to the Buyer;
- E. That the Designated Agent may disclose the Buyer's identity unless otherwise instructed by the Buyer in writing;
- F. That the Designated Agent is being retained solely to provide real estate services and not as a lawyer, tax advisor, lender, certified appraiser, surveyor, structural engineer, home inspector, or other professional service advisor; and
- G. That while the Designated Agent has an obligation to use reasonable efforts to obtain information regarding the physical condition of a property in which the Buyer becomes interested, to the extent the Designated Agent is not able to obtain such information, the Designated Agent may only have limited knowledge about such property and in such cases the Buyer will be relying upon information concerning the property's physical condition provided by the seller, listing brokerage or another person. The Buyer understands and agrees that information provided by a seller, a listing brokerage or another person in respect of a particular property is not warranted by the Designated Agent or the Buyer's Brokerage as being accurate and will be relied upon at the Buyer's risk. The Buyer should make their own enquiries and investigations concerning the physical condition of a property, which should include an independent property inspection.

6. BUYER'S BROKERAGE REMUNERATION:

- A. The Buyer will pay the Buyer's Brokerage a fee of _____
_____ ("Fee")

of the purchase price plus applicable Goods and Services Tax and any other applicable tax if:

- (i) a legally enforceable Contract of Purchase and Sale between the Buyer and a seller in respect of property located in the Market Area is entered into during the period of this Contract; or
- (ii) a legally enforceable Contract of Purchase and Sale between the Buyer and a seller in respect of property located in the Market Area, which is introduced to the Buyer by the Buyer's Brokerage, the Designated Agent or by any other person including the Buyer during the period of this Contract is entered into:
 - (a) within sixty (60) days after the expiration of the term of this Contract; or
 - (b) any time after the period described in (a) where the efforts of the Buyer's Brokerage or the Designated Agent were an effective cause;provided, however, that no such remuneration is payable if, after the expiration of the term of this Contract, the Buyer has entered into a similar written Buyer's Agency Exclusive Contract with a licensed brokerage in respect of the Market Area and the property is purchased during the term of that contract.

- B. Prior to the Buyer making an offer to purchase a property, the Designated Agent will advise the Buyer of the total amount of remuneration offered by the listing brokerage to be paid to the Buyer's Brokerage for assisting in obtaining a buyer for that property.
- C. Monies, if any, under Clause 6B shall be deducted from the amount due and payable by the Buyer under Clause 6A and the Buyer shall pay any shortfall owing to the Buyer's Brokerage.

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- D. The remuneration due to the Buyer's Brokerage under Clause 6A shall be payable on the earlier of the date the sale is completed or the completion date set out in the Contract of Purchase and Sale.
- E. The Buyer's Brokerage will advise the Buyer of any remuneration, other than that described in Clause 6B, to be received by the Buyer's Brokerage in respect of that property.

7. THE BUYER ACKNOWLEDGES AND AGREES THAT:

- A. The duties set out in Real Estate Services Rule 30 apply only to the Designated Agent and do not apply to any other licensees of the Buyer's Brokerage who represent sellers or other buyers and, subject to Clause 4B, 4C and 4D, do not apply to the Buyer's Brokerage;
- B. The Buyer's Brokerage or the Designated Agent may provide trading services, have agency relationships with or be engaged by other buyers, or be engaged by or have agency relationships with sellers, unless doing so would constitute a dual agency that is not permitted by Part 5 of the Real Estate Services Rules;
- C. In the case that the provision of trading services to the Buyer contemplated hereby and the provision of trading services to a seller or another buyer constitutes or becomes a dual agency that is not permitted by Part 5 of the Real Estate Services Rules, the Buyer acknowledges and agrees that the Buyer's Brokerage and the Designated Agent, as applicable, must comply with Real Estate Services Rule 65 and may be required to cease providing certain trading services to the Buyer;
- D. Despite Real Estate Services Rule 30(f), the Buyer's Brokerage and the Designated Agent will not be required to disclose to the Buyer confidential information obtained through any other agency relationship.
- E. If a property in which the Buyer is interested is not listed with a real estate brokerage, the Buyer's Brokerage may enter into a fee agreement with the seller but the Designated Agent will not, in any event, act as an agent of that seller.

8. CONFLICTS OF INTEREST:

- A. If the Designated Agent's provision of trading services to the Buyer and the seller of a property (referred to in this Clause 8A as the "Property") would constitute a dual agency that is not permitted by Part 5 of the Real Estate Services Rules, the Designated Agent may request consent from the Buyer and such seller to continue to represent either the Buyer or such seller in respect of the Property and terminate their agency relationship with the other party. In such case, the Designated Agent will present the Buyer and such seller with a written agreement in compliance with section 65 of the Real Estate Services Rules (the "Consent Agreement"). Notwithstanding anything else in this Contract, if the Buyer and such seller consent to the Designated Agent continuing to act for one of them, and terminating the agency relationship with the other, in respect of the Property and they execute the Consent Agreement, the Buyer hereby acknowledges and agrees as follows:
 - (i) if the Designated Agent ceases to act as the agent of the Buyer, the Designated Agent may otherwise in the future act as the agent of the Buyer in respect of property other than the Property;
 - (ii) if the Designated Agent ceases to act as the agent of the Buyer in respect of the Property, subject to Part 5 of the Real Estate Services Rules, the Buyer's Brokerage may designate another licensee of the Buyer's Brokerage to act as the Designated Agent of the Buyer

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or if the Buyer's Brokerage is unable to or does not designate another licensee of the Buyer's Brokerage, the Buyer's Brokerage may refer the Buyer to another brokerage for representation in respect of the Property; provided that, the Buyer will not be obligated to accept such referral; and

(iii) if the Designated Agent ceases to act as the agent of the Buyer in respect of the Property, the parties acknowledge that: (A) the Designated Agent's agency with the Buyer will terminate and the Designated Agent will no longer have any duties to the Buyer as agent of the Buyer, whether under this Contract, under the Real Estate Services Rules (other than their duties of confidentiality under Rule 30(e)) or otherwise; and (B) the Buyer's Brokerage and the Designated Agent will be permitted by the terms of the Consent Agreement and the Real Estate Services Rules to continue to represent such seller.

B. If the Designated Agent's provision of trading services to the Buyer and another buyer with whom the Designated Agent has an agency relationship (the "Other Buyer") in respect of a property (referred to in this Clause 8B as the "Property") would constitute a dual agency that is not permitted by Part 5 of the Real Estate Services Rules, the Designated Agent may request consent from the Buyer and the Other Buyer to continue to represent either the Buyer or the Other Buyer in respect of the Property. In such case, the Designated Agent will present the Buyer and the Other Buyer with a Consent Agreement. Notwithstanding anything else in this Contract, if the Buyer and the Other Buyer consent to the Designated Agent continuing to act for one of them in respect of the Property and they execute the Consent Agreement, the Buyer hereby acknowledges and agrees as follows:

(i) if the Designated Agent ceases to act as the agent of the Buyer in respect of the Property, the Designated Agent may continue to act as the agent of the Buyer in respect of property other than the Property;

(ii) if the Designated Agent ceases to act as agent of the Buyer in respect of the Property, subject to Part 5 of the Real Estate Services Rules, the Buyer's Brokerage may designate another licensee of the Buyer's Brokerage to act as the agent of the Buyer in respect of the Property or if the Buyer's Brokerage is unable to or does not designate another licensee of the Buyer's Brokerage, the Buyer's Brokerage may refer the Buyer to another brokerage for representation in respect of the Property; provided that, the Buyer will not be obligated to accept such referral; and

(iii) if the Designated Agent ceases to act as the agent of the Buyer in respect of the Property, the parties acknowledge that: (A) the Designated Agent's agency with the Buyer will terminate and the Designated Agent will no longer have any duties to the Buyer as agent of the Buyer, whether under this Contract, under the Real Estate Services Rules (other than their duties of confidentiality under Rule 30(e)) or otherwise; and (B) the Buyer's Brokerage and the Designated Agent will be permitted by the terms of the Consent Agreement and the Real Estate Services Rules to continue to represent such Other Buyer.

9. COLLECTION, USE AND DISCLOSURE OF PERSONAL INFORMATION:

A. The Buyer hereby consents to the collection, use and disclosure by the Buyer's Brokerage and by the managing broker(s), associate broker(s) and representative(s) of the Buyer's Brokerage (collectively the "Licensee") noted below, and the real estate board in whose jurisdiction the

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Market Area is located and/or of which the Buyer's Brokerage or Licensee is a member, of personal information about the Buyer:

- (i) for all purposes related to the provision of real estate services by the Licensee to the Buyer including but not limited to:
 - (a) locating, assessing and qualifying properties for the Buyer;
 - (b) advertising on behalf of the Buyer; and
 - (c) providing information to third parties including but not limited to lawyers and notaries public, financial institutions, government departments and agencies and building inspectors;
 - (ii) for the purpose of placement in the database of a Multiple Listing Service® of a real estate board, if the property purchased by the Buyer is listed on such Multiple Listing Service®;
 - (iii) for compilation, retention and publication by such real estate board of any statistics including historical Multiple Listing Service® data for use by persons authorized to use the Multiple Listing Service® of such real estate board;
 - (iv) for enforcing codes of professional conduct and ethics for members of real estate boards;
 - (v) for such other purposes as are appropriate in connection with the listing, marketing and selling of real estate;
 - (vi) for all other purposes authorized in this Contract; and
 - (vii) for the purposes (and to the recipients) described in the British Columbia Real Estate Association's Privacy Notice and Consent form.
- B. The personal information provided by the Buyer may be stored on databases outside Canada, in which case it would be subject to the laws of the jurisdiction in which it is located.

10. TERMINATION: The Buyer's Brokerage and the Buyer agree that:

- A. Without prejudice to the acquired rights of the Buyer or the Buyer's Brokerage, including without limitation the rights and obligations under Section 6, this Contract will terminate:
 - (i) upon the expiration of the term of this Contract as specified in Clause 1B;
 - (ii) upon an earlier date than that specified in Clause 1B if mutually agreed to by the Buyer and the Buyer's Brokerage in writing;
 - (iii) upon a completed purchase of a property in the Market Area by the Buyer prior to the expiration of the term of this Contract;
 - (iv) immediately if the Buyer's Brokerage's licence is suspended, cancelled or rendered inoperative under the *Real Estate Services Act*;
 - (v) upon the bankruptcy or insolvency of the Buyer's Brokerage or if it is in receivership; and
 - (vi) if the Buyer's Brokerage and the Designated Agent are unable to continue to provide trading services to the Buyer as a result of Part 5 of the Real Estate Services Rules.
- B. Immediately upon the termination of this Contract the Buyer's Brokerage and the Designated Agent will:
 - (i) cease all activities on behalf of the Buyer; and
 - (ii) if requested by the Buyer, return all documents and other materials provided by the Buyer.

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11. MISCELLANEOUS PROVISIONS:

- A. "Sale" includes an exchange and "purchase price" includes the value of property exchanged.
- B. "Period" or "date of expiration" of this Contract includes the period or date of expiration of any written extension.
- C. Interpretation of this Contract and all matters concerning its enforcement by the parties shall be governed by the laws of the Province of British Columbia.
- D. The parties acknowledge that this Contract fully sets out the terms of the agreement between them.
- E. This Contract shall be binding upon and benefit not only the parties but also their respective heirs, executors, administrators, successors and assigns.
- F. "Property" may include a leasehold interest, a business and the goodwill and assets of it, an interest, partnership or share in a business or in the goodwill and assets of it, or a manufactured home, plus any other real property designated by a seller.

12. AGREEMENT:

- A. The Buyer acknowledges having read and understood this Contract, that it accurately describes the agreement with the Buyer's Brokerage and that the Buyer has received a copy of it.
- B. Where the Buyer is comprised of more than one party, the obligations under this Contract of each and every party comprising the Buyer shall be joint and several.

SIGNED, SEALED & DELIVERED THIS _____ DAY OF _____ YR. _____.

If the Buyer is an individual, the Buyer declares that they are a Canadian citizen or a permanent resident as defined in the *Immigration and Refugee Protection Act*:

YES
INITIALS

NO
INITIALS

BUYER'S SIGNATURE 

BUYER'S BROKERAGE (PRINT)

BUYER'S SIGNATURE 

Per: MANAGING BROKER'S SIGNATURE/
AUTHORIZED SIGNATORY 

WITNESS

DESIGNATED AGENT (PRINT)

DESIGNATED AGENT'S SIGNATURE 

*PREC represents Personal Real Estate Corporation
Trademarks are owned or controlled by The Canadian Real Estate Association (CREA) and identify real estate professionals who are members of CREA (REALTOR®) and/or the quality of services they provide (MLS®).

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BUYER'S AGENCY EXCLUSIVE CONTRACT SCHEDULE "A"

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SCENE TWO: DEBRIEF QUESTIONS

1. What were some of the questions that the buyers asked pertaining to the Buyer's Agency Exclusive Contract?

2. Which clauses of the Buyer's Agency Exclusive Contract did you highlight with the buyer?

3 . What are some of the services that a brokerage might include in the Schedule "A"?



Scene Three: Material Information

After the meeting, Larry gets right to work. First thing he does is perform a title search. Using the civic address, he obtains the property's Parcel Identifier number (PID). Using the PID, he then obtains a title search for the property from myLTSA. He finds out that the registered owner is Bernie's Bake Shop Ltd.

Larry wastes no time and calls the listing broker, Linda Lista, to arrange an appointment for him and his clients to go view the property. They agree on a viewing the following Monday morning. Larry calls Brandi and Bohdi to share the good news.

On Monday, Brandi and Bohdi get to see the property. It is a bit run down having sat vacant for years. It is 3,500 square feet which Brandi and Bohdi believe to be the right size and is almost double the size of the restaurant space they are selling. All of the equipment has been removed from the space which is ok as Brandi and Bohdi have all their own which they will move in after completion of the sale.

Larry indicates that he was told that Bernie Baker had extended the original kitchen into the adjacent storage space so that he could install a larger commercial grade oven. When viewing that area Bohdi noticed that the exhaust ductwork appears to penetrate through a patchy section of the ceiling tile. Larry calls Linda and asks her whether a permit was required to construct this part of the kitchen.

"I can't imagine there would be any issue with that," Linda said. "I've seen tons of restaurants build their exhausts directly through the roof to the outside."

Larry also notices that the property is a single-story building, and is located on the corner of an intersection with a lot of foot traffic. Brandi and Bohdi have saved up enough money to carry two properties for up to six months.

Larry takes Brandi and Bohdi back to his office to review the facts about the commercial property, and whether it meets their needs.

In this scene the characters will:

- Determine the suitability of the property and identify what is important to Brandi and Bohdi;
- Identify any issues or concerns with the property and discuss how they could be addressed; and
- Review what conditions Brandi and Bohdi may want to include in the offer.

MATERIAL INFORMATION — WHAT'S KEY TO YOUR CLIENT?

The Real Estate Services Rules are there to ensure that consumers get all the information they need to make informed decisions about their real estate transactions. That is why understanding your duty to use reasonable efforts to discover relevant facts and disclose material information is particularly important.

You must share “all known material information respecting the real estate services, and the real estate and the trade in real estate to which the services relate” with your clients.

It is important to remember that material information may be different depending on what client you are working with. What is material to one client may not be to another. It is important for you to talk to your client to determine what information is material to them.

Listing agents can use the [Listing Checklist](#) as a guide to help ensure they collect all the relevant information about a property. Buyer’s agents should verify all listing information — particularly any information that is important to their client. Buyer’s checklist can be found [here](#).

KNOW YOUR CLIENT

Every listing—and every client—is unique. It is good practice to make sure you are familiar with your client’s needs and understand what is important to them. Ask your clients if there are any issues you should be aware of and be sure to document the conversation.

If you are unsure about whether a piece of information is “material”, put yourself in your client’s shoes and ask yourself whether it is something you would want to know if you were a buyer or seller.

When in doubt, it is always better to share the information with your client. You could face disciplinary and/or civil action if you fail to disclose a piece of material information.

SCENE THREE DEBRIEF QUESTIONS:

1. What information is important to Brandi and Bohdi?

2. What was the potential significant issue with the property and how could Larry help Brandi and Bohdi address it? Was this issue a material latent defect, or patent defect?

Scene Four: Drafting an Enforceable Contract

Bohdi and Brandi decide they want to proceed and write the offer. They review with Larry the latest market stats to guide them in their offering. They establish a price to offer, a deposit amount and a strategy for the completion, possession, and adjustment dates.

In this scene the characters will:

- Determine the relevant information to go into the Commercial Contract of Purchase and Sale; and
- Draft an enforceable Commercial Contract of Purchase and Sale.

Scene Four resources:

These are the supporting resources in this scene:

- Scenario Information to Prepare an Offer;
- Title Search;
- Disclosure of Remuneration form;
- Commercial Contract of Purchase and Sale;
- BCFSAs standard clauses (online); and
- Knowledge Base (online).

INFORMATION YOU WILL NEED TO PREPARE AN OFFER

- **Property Address:**
 - 1234 Some Street
 - Downtown, B.C. V8R 2S7
- **Offer Information:**
 - Offer is drafted on May 5, 2020

- **Buyer's Licensee:**
 - Larry Lister
 - Ph: 788-605-1717

- **Buyer's Brokerage information:**
 - Sell Realty
 - 200 Main Street, Uptown B.C. V9S 3T9
 - Ph: 788-555-1234

- **Buyers:**
 - Brandi Buyer and Bodhi Buyer
 - Ph: 788-777-9888
 - Both Brandi and Bodhi are Canadian Citizens
 - 21 Garden Avenue
 - Hometown, B.C. V2V 1C3

- **Seller's Licensee:**
 - Linda Lista

- **Seller's Information**
 - Tricia Trade

- **Listing Brokerage:**
 - Condo City Realty

- **Offer Information:**
 - List Price: \$4,350,000.
 - Offer Price: \$4,000,000.
 - Deposit: \$250,000 on final subject removal (by way of a bank draft), to be paid with \$50,000 within 24 hours of acceptance and an additional \$200,000 upon removal of all subjects. The deposit will be held in trust with Sell Realty.
 - Offer Expiration: Offer is open for acceptance until July 30th at 7:00 p.m.
 - Completion Date: September 18, 2020.
 - Possession Date: September 19, 2020 at 12:00 p.m.
 - Adjustment Date: September 19, 2020.
 - Inclusions: No inclusions
 - *Viewed building on July 15th.*
 - The cooperating brokerage commission being offered is 2% of the sale price.
 - Subjects: Title Search, Financing, Property Inspection.

INFORMATION ABOUT THE CONTRACT OF PURCHASE AND SALE COMMERCIAL REAL ESTATE

THIS INFORMATION IS INCLUDED FOR THE ASSISTANCE OF THE PARTIES ONLY. IT DOES NOT FORM PART OF THE CONTRACT AND SHOULD NOT AFFECT THE PROPER INTERPRETATION OF ANY OF ITS TERMS.

1. **CONTRACT:** This document, when signed by both parties, is a legally binding contract. READ IT CAREFULLY. The parties should ensure that everything that is agreed to is in writing.
2. **DEPOSIT(S):** Section 28 of the *Real Estate Services Act* requires that money held by a brokerage in respect of a real estate transaction for which there is an agreement between the parties for the acquisition and disposition of the real estate be held by the brokerage as a stakeholder. The money is held for the real estate transaction and not on behalf of one of the parties. If a party does not remove a subject clause, the brokerage requires the written agreement of both parties in order to release the deposit. If both parties do not sign the agreement to release the deposit, then the parties will have to apply to court for a determination of the deposit issue.
3. **COMPLETION:** (Clauses 6.1 and 17) Unless the parties are prepared to actually meet at the Land Title Office and exchange title documents for the purchase price, it is, in every case, advisable for the completion of the sale to take place in the following sequence:
 - (a) The buyer pays the purchase price or down payment in trust to the buyer's lawyer or notary (who should advise the buyer of the exact amount required) several days before the completion date and the buyer signs the documents.
 - (b) The buyer's lawyer or notary prepares the documents and forwards them for signature to the seller's lawyer or notary who returns the documents to the buyer's lawyer or notary.
 - (c) The buyer's lawyer or notary then attends to the deposit of the signed title documents (and any mortgages) in the appropriate Land Title Office.
 - (d) The buyer's lawyer or notary releases the sale proceeds at the buyer's lawyer's or notary's office.

Since the seller is entitled to the seller's proceeds on the completion date, and since the sequence described above takes a day or more, it is strongly recommended that the buyer deposits the money and the signed documents AT LEAST TWO DAYS before the completion date, or at the request of the conveyancer, and that the seller delivers the signed transfer documents no later than the morning of the day before the completion date.

While it is possible to have a Saturday or Sunday completion date using the Land Title Office's electronic filing system, parties are strongly encouraged NOT to schedule a Saturday completion date as it will restrict their access to fewer lawyers or notaries who operate on Saturdays; lenders will generally not fund new mortgages on Saturdays; lenders with existing mortgages may not accept payouts on Saturdays; and other offices necessary as part of the closing process may not be open.

4. **POSSESSION:** (Clauses 7.1 and 18) The buyer should make arrangements through the REALTORS® for obtaining possession. The seller will not generally let the buyer move in before the seller has received the sale proceeds. Where residential tenants are involved, buyers and sellers should consult the *Residential Tenancy Act*.
5. **ADJUSTMENT:** (Clauses 8.1 and 19) The buyer and seller should consider any additional adjustments that are necessary given the nature of the property and how any costs are payable by tenants and whether the seller holds any of the tenant's funds with respect to such costs.

INFORMATION ABOUT THE CONTRACT OF PURCHASE AND SALE
COMMERCIAL REAL ESTATE (continued)

6. **TITLE:** (Clause 22) It is up to the buyer to satisfy the buyer on matters of zoning or building or use restrictions, toxic or environmental hazards, encroachments on or by the property and any encumbrances which are staying on title before becoming legally bound. It is up to the seller to specify in the contract if there are any encumbrances, other than those listed in clause 22 and Schedule 22, which are staying on title before becoming legally bound. If you as the buyer are taking out a mortgage, make sure that title, zoning and building restrictions are all acceptable to your mortgage company. In certain circumstances, the mortgage company could refuse to advance funds. If you as the seller are allowing the buyer to assume your mortgage, you may still be responsible for payment of the mortgage, unless arrangements are made with your mortgage company.
7. **CUSTOMARY COSTS:** (Clause 31) In particular circumstances there may be additional costs, but the following costs are applicable in most circumstances:

Costs to be Borne by the Seller

- Lawyer or Notary Fees and Expenses:
 - attending to execution documents
 Costs of clearing title, including:
 - discharge fees charged by
 encumbrance holders,
 - prepayment penalties.
 Real Estate Commission (plus GST).
 Goods and Services Tax (if applicable).

Costs to be Borne by the Buyer

- Lawyer or Notary Fees and Expenses:
 - searching title,
 - investigating title,
 - drafting documents.
 Land Title Registration fees.
 Survey Certificate (if required).
 Costs of Mortgage, including:
 - mortgage company's lawyer/notary,
 - appraisal (if applicable),
- Land Title Registration fees.
 Fire Insurance Premium.
 Sales Tax (if applicable).
 Property Transfer Tax.
 Goods and Services Tax (if applicable).

In addition to the above costs there may be financial adjustments between the seller and the buyer pursuant to Clause 19.

8. **RISK:** (Clause 32) The buyer should arrange for insurance to be effective as of 12:01 am on the earlier of the completion date. The seller should maintain the seller's insurance in effect until the later of the date the seller receives the proceeds of sale, or the date the seller vacates the property.
9. **FORM OF CONTRACT:** This Contract of Purchase and Sale is designed primarily for the purchase and sale of freehold commercial real estate. If your transaction involves: a building under construction, an operating business with or without employee being hired, a sale and purchase of shares in the owner of the property, the purchase of a leasehold interest, other special circumstances, additional provisions, not contained in this form, may be needed, and professional advice should be obtained.

CONTRACT OF PURCHASE AND SALE FOR COMMERCIAL REAL ESTATE

MLS® NO: _____ DATE: _____

PART 1 – INFORMATION SUMMARY

1. Prepared By	
1.1 Name of Brokerage	
1.2 Brokerage Address	Phone No.
1.3 REALTOR®'s Name	
1.4 Personal Real Estate Corporation	
1.5 REALTOR®'s Email Address	Fax No.
1.6 Brokerage Phone No.	Fax No.
2. Parties to the Contract	
2.1 Seller	
Seller	
Seller	
2.2 Seller's Address	
2.3 Seller's Phone No.	Fax No.
2.4 Seller's Email Address	
2.5 Seller's Incorporation No.	2.6 Seller's GST No.
2.7 Buyer	
Buyer	
Buyer	
2.8 Buyer's Address	
2.9 Buyer's Phone No.	Fax No.
2.10 Buyer's Email Address	
2.11 Buyer's Incorporation No.	2.12 Buyer's GST No.
3. Property	
3.1 Civic Address of Property	
3.2 Legal Description of Property	

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PID		
4. Purchase Price	\$	Clause
4.1		14
		Dollars
5. Deposit		Clause
5.1	Deposit to be provided by the following date: <input type="checkbox"/> within 48 hours of acceptance of offer or counter-offer <input type="checkbox"/> date _____ <input type="checkbox"/> other _____	15
5.2	Amount of Deposit _____	15
5.3	Deposit to be paid in trust to _____	15
6. Completion Date		
6.1	Completion Date _____	17
7. Possession Date		
7.1	Possession Date _____	18
7.2	Vacant Possession <input type="checkbox"/> Yes <input type="checkbox"/> No	7.3 All Existing Tenancies <input type="checkbox"/> Yes <input type="checkbox"/> No
7.3	All Existing Tenancies <input type="checkbox"/> Yes <input type="checkbox"/> No	
8. Adjustment Date		
8.1	Adjustment Date _____	19
9. Viewing Date		
9.1	Viewing Date _____	21
10. Agency Disclosure		
10.1	Seller's Designated Agent REALTOR® _____ REALTOR® _____ Brokerage _____	38A
10.2	Buyers Designated Agent REALTOR® _____ REALTOR® _____ Brokerage _____	38B

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10.3	Limited Dual Agency Designated Agent	REALTOR®		38C
		REALTOR®		
		Brokerage		
10.4	Date of Limited Dual Agency Agreement			38C
11. Acceptance				
11.1	Offer Open Until – Date	Time		43
12. Schedules				
15	Deposit	Attached	<input type="checkbox"/> Yes <input type="checkbox"/> No	15
16A	Buyer's Conditions	Attached	<input type="checkbox"/> Yes <input type="checkbox"/> No	16
16B	Seller's Conditions	Attached	<input type="checkbox"/> Yes <input type="checkbox"/> No	16
18	Accepted Tenancies	Attached	<input type="checkbox"/> Yes <input type="checkbox"/> No	18
20A	Additional Included Items	Attached	<input type="checkbox"/> Yes <input type="checkbox"/> No	20
20B	Excluded Items	Attached	<input type="checkbox"/> Yes <input type="checkbox"/> No	20
22	Additional Permitted Encumbrances	Attached	<input type="checkbox"/> Yes <input type="checkbox"/> No	22
23	Additional Seller's Warranties and Representations	Attached	<input type="checkbox"/> Yes <input type="checkbox"/> No	23
24	Additional Buyer's Warranties and Representations	Attached	<input type="checkbox"/> Yes <input type="checkbox"/> No	24
41	Additional Terms	Attached	<input type="checkbox"/> Yes <input type="checkbox"/> No	41

PART 2 – TERMS

- 13. INFORMATION SUMMARY:** The Information Summary being Part 1 to this Contract of Purchase and Sale for Commercial Real Estate and the Schedules attached to this Contract of Purchase and Sale for Commercial Real Estate, form an integral part of this offer. The Seller and Buyer acknowledge that they have read all of Part 1 and Part 2 and the Schedules to this Contract of Purchase and Sale for Commercial Real Estate.
- 14. PURCHASE PRICE:** The purchase price of the Property will be the amount set out in Clause 4.1 (Purchase Price).
- 15. DEPOSIT:** A deposit in the amount set out in Clause 5.2 which will form part of the Purchase Price, will be paid in accordance with Clause 26 except as otherwise set out in Schedule 15 and on the terms set out in Schedule 15. All monies paid pursuant to this Clause (the "Deposit") will be delivered in trust to the party identified in Clause 5.3 and held in trust in accordance with the provisions of the *Real Estate Services Act*. In the event the Buyer fails to pay the Deposit as required by this Contract, the Seller may, at the Seller's option, terminate this Contract. The party who receives the Deposit is authorized to pay all or any portion of the Deposit to the Buyer's or Seller's conveyancer (the "Conveyancer") without further written direction of the Buyer or Seller, provided that: (a) the Conveyancer is a Lawyer or Notary; (b) such money is to be held in trust by the Conveyancer as stakeholder pursuant to the provisions of the *Real Estate Services Act* pending the completion of the transaction and not on behalf of any of the principals to the transaction; and (c) if the sale does not complete, the money should be returned to such party as stakeholder or paid into Court.

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- 16. CONDITIONS:** The obligations of the Buyer described in this Contract are subject to the satisfaction or waiver of the conditions precedent set out in Schedule 16A, if any (the "Buyer's Conditions"). The Buyer's Conditions are inserted for the sole benefit of the Buyer. The satisfaction or waiver of the Buyer's Conditions will be determined in the sole discretion of the Buyer and the Buyer agrees to use reasonable efforts to satisfy the Buyer's Conditions. The Buyer's Conditions may only be satisfied or waived by the Buyer giving written notice (the "Buyer's Notice") to the Seller on or before the time and date specified for each condition. Unless each Buyer's Condition is waived or declared fulfilled by delivery of the Buyer's Notice to the Seller on or before the time and date specified for each condition, this Contract will be terminated thereupon and the Deposit returnable in accordance with the *Real Estate Services Act*.

The obligations of the Seller described in this Contract are subject to the satisfaction or waiver of the conditions precedent set out in Schedule 16B, if any (the "Seller's Conditions"). The Seller's Conditions are inserted for the sole benefit of the Seller. The satisfaction or waiver of the Seller's Conditions will be determined in the sole discretion of the Seller and the Seller agrees to use reasonable efforts to satisfy the Seller's Conditions. These conditions may only be satisfied or waived by the Seller giving written notice (the "Seller's Notice") to the Buyer on or before the time and date specified for each condition. Unless each Seller's Condition is waived or declared fulfilled by delivery of the Seller's Notice to the Buyer on or before the time and date specified for each condition, this Contract will be terminated thereupon and the Deposit returnable in accordance with the *Real Estate Services Act*.

- 17. COMPLETION:** The sale will be completed on the date specified in Clause 6.1 (Completion Date) at the appropriate Land Title Office.
- 18. POSSESSION:** The Buyer will have possession of the Property at the time and on the date specified in Clause 7.1 (Possession Date) with vacant possession if so indicated in Clause 7.2, or subject to all existing tenancies if so indicated in Clause 7.3; or subject to the specified tenancies set out in Schedule 18, if so indicated in Clause 12 (if Clause 7.3 or 12 is selected, such tenancies shall be the "Accepted Tenancies").
- 19. ADJUSTMENTS:** The Buyer will assume and pay all taxes, rates, local improvement assessments, fuel, utilities, insurance, rents, tenant deposits including interest, prepaid rents, and other charges from, and including, the date set for adjustments, and all adjustments both incoming and outgoing of whatsoever nature will be made as of the date specified in Clause 8.1 (the "Adjustment Date").
- 20. INCLUDED ITEMS:** The Purchase Price includes the Accepted Tenancies, any buildings, improvements, fixtures, appurtenances and attachments thereto, and all security systems, security bars, blinds, awnings, curtain rods, tracks and valances, fixed mirrors, fixed carpeting, electric, plumbing, heating and air conditioning fixtures and all appurtenances and attachments thereto as viewed by the Buyer at the date of inspection, together with those items set out in Schedule 20A but excluding those items set out in Schedule 20B.
- 21. VIEWED:** The Property and all included items will be in substantially the same condition at the Possession Date as when viewed by the Buyer on the date specified in Clause 9.1.
- 22. TITLE:** Free and clear of all encumbrances except subsisting conditions, provisos, restrictions, exceptions and reservations, including royalties, contained in the original grant or contained in any other grant or disposition from the Crown, registered or pending restrictive covenants and rights-of-way in favour of utilities and public authorities, the Accepted Tenancies and any additional permitted encumbrances set out in Schedule 22.

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- 23. ADDITIONAL SELLER'S WARRANTIES AND REPRESENTATIONS:** In addition to the representations and warranties set out in this Contract, the Seller makes the additional representations and warranties set out in Schedule 23 to the Buyer.
- 24. ADDITIONAL BUYER'S WARRANTIES AND REPRESENTATIONS:** In addition to the representations and warranties set out in this Contract, the Buyer makes the additional representations and warranties set out in Schedule 24 to the Seller.
- 25. GST:** In addition to the Purchase Price, the applicable Goods and Services Tax ("GST") imposed under the *Excise Tax Act* (Canada) (the "Act") will be paid by the Buyer. On or before the Completion Date, the Buyer may confirm to the Seller's Lawyer or Notary that it is registered for the purposes of Part IX of the Act and will provide its registration number. If the Buyer does not confirm that it is a registrant under Part IX of the Act on or before the Completion Date, then the Buyer will pay the applicable GST to the Seller on the Completion Date and the Seller will then remit the GST as required by the Act. All taxes payable pursuant to the *Provincial Sales Tax Act* arising out of the purchase of the Property, will be paid by the Buyer and evidence of such payment will be provided to the Seller.
- 26. TENDER:** Tender or payment of monies by the Buyer to the Seller will be by bank draft, wire transfer, certified cheque, or Lawyer's/Notary's or real estate brokerage's trust cheque.
- 27. DOCUMENTS:** All documents required to give effect to this Contract will be delivered in registerable form where necessary and will be lodged for registration in the appropriate Land Title Office by 4 pm on the Completion Date.
- 27A. SELLER'S PARTICULARS AND RESIDENCY:** The Seller shall deliver to the Buyer on or before the Completion Date a statutory declaration of the Seller containing: (A) particulars regarding the Seller that are required to be included in the Buyer's Property Transfer Tax Return to be filed in connection with the completion of the transaction contemplated by this Contract (and the Seller hereby consents to the Buyer inserting such particulars on such return); and (B) if the Seller is not a non-resident of Canada as described in the non-residency provisions of the *Income Tax Act*, confirmation that the Seller is not then, and on the Completion Date will not be, a non-resident of Canada. If on the Completion Date the Seller is a non-resident of Canada as described in the residency provisions of the *Income Tax Act*, the Buyer shall be entitled to hold back from the Purchase Price the amount provided for under section 116 of the *Income Tax Act*.
- 28. TIME:** Time will be of the essence hereof, and unless the balance of the payment is paid and such formal agreement to pay the balance as may be necessary is entered into on or before the Completion Date, the Seller may, at the Seller's option, terminate this Contract, and, in such event, the amount paid by the Buyer will be non-refundable and absolutely forfeited to the Seller, subject to the provisions of Section 28 of the *Real Estate Services Act*, on account of damages, without prejudice to the Seller's other remedies.

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- 29. BUYER FINANCING:** If the Buyer is relying upon a new mortgage to finance the Purchase Price, the Buyer, while still required to pay the Purchase Price on the Completion Date, may wait to pay the Purchase Price to the Seller until after the transfer and new mortgage documents have been lodged for registration in the appropriate Land Title Office, but only if, before such lodging, the Buyer has: (a) made available for tender to the Seller that portion of the Purchase Price not secured by the new mortgage, and (b) fulfilled all the new mortgagee's conditions for funding except lodging the mortgage for registration, and (c) made available to the Seller, a Lawyer's or Notary's undertaking to pay the Purchase Price upon the lodging of the transfer and new mortgage documents and the advance by the mortgagee of the mortgage proceeds pursuant to the Canadian Bar Association (BC Branch) (Real Property Section) standard undertakings (the "CBA Standard Undertakings").
- 30. CLEARING TITLE:** If the Seller has existing financial charges to be cleared from title, the Seller, while still required to clear such charges, may wait to pay and discharge existing financial charges until immediately after receipt of the Purchase Price, but in this event, the Seller agrees that payment of the Purchase Price shall be made by the Buyer's Lawyer or Notary to the Seller's Lawyer or Notary, on the CBA Standard Undertakings to pay out and discharge the financial charges, and remit the balance, if any, to the Seller.
- 31. COSTS:** The Buyer will bear all costs of the conveyance and, if applicable, any costs related to arranging a mortgage and the Seller will bear all costs of clearing title.
- 32. RISK:** All buildings on the Property and all other items included in the purchase and sale will be, and remain, at the risk of the Seller until 12:01 am on the Completion Date. After that time, the Property and all included items will be at the risk of the Buyer. If loss or damage to the Property occurs before the Seller is paid the Purchase Price, then any insurance proceeds shall be held in trust for the Buyer and the Seller according to their interests in the Property.
- 33. GOVERNING LAW:** This Contract will be governed by the laws of the Province of British Columbia. The parties submit to the exclusive jurisdiction of the courts in the Province of British Columbia regarding any dispute that may arise out of this transaction.
- 34. CONFIDENTIALITY:** Unless the transaction contemplated by this Contract is completed, the Buyer and the Seller will keep all negotiations regarding the Property confidential, and the Buyer will not disclose to any third party the contents or effect of any documents, materials or information provided pursuant to or obtained in relation to this Contract without the prior written consent of the Seller, except that each of the Buyer and the Seller may disclose the same to its employees, inspectors, lenders, agents, advisors, consultants, potential investors and such other persons as may reasonably be required and except that the Buyer and the Seller may disclose the same as required by law or in connection with any regulatory disclosure requirements which must be satisfied in connection with the proposed sale and purchase of the Property.
- 35. PLURAL:** In this Contract, any reference to a party includes that party's heirs, executors, administrators, successors and assigns; singular includes plural and masculine includes feminine.
- 36. SURVIVAL OF REPRESENTATIONS AND WARRANTIES:** There are no representations, warranties, guarantees, promises or agreements other than those set out in this Contract and any attached Schedules. All of the warranties contained in this Contract and any attached Schedules are made as of and will be true at the Completion Date, unless otherwise agreed in writing.

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37. **PERSONAL INFORMATION:** The Buyer and the Seller hereby consent to the collection, use and disclosure by the Brokerages and by the managing broker(s), associate broker(s) and representative(s) of those Brokerages (collectively the "REALTOR[®](s)") described in Clause 38, the real estate boards of which those Brokerages and REALTOR[®]s are members and, if the Property is listed on a Multiple Listing Service[®], the real estate board that operates that Multiple Listing Service[®], of personal information about the Buyer and the Seller:
- for all purposes consistent with the transaction contemplated herein;
 - if the Property is listed on a Multiple Listing Service[®], for the purpose of the compilation, retention and publication by the real estate board that operates the Multiple Listing Service[®] and other real estate boards of any statistics including historical Multiple Listing Service[®] data for use by persons authorized to use the Multiple Listing Service[®] of that real estate board and other real estate boards;
 - for enforcing codes of professional conduct and ethics for members of real estate boards; and
 - for the purposes (and to the recipients) described in the British Columbia Real Estate Association's Privacy Notice and Consent form.

The personal information provided by the Buyer and Seller may be stored on databases outside Canada, in which case it would be subject to the laws of the jurisdiction in which it is located.

38. **AGENCY DISCLOSURE:** The Seller and the Buyer acknowledge and confirm as follows (initial appropriate box(es) and complete details as applicable):

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INITIALS

- A. The Seller acknowledges having received, read and understood the BC Financial Services Authority (BCFSA) form entitled "*Disclosure of Representation in Trading Services*" and hereby confirms that the Seller has an agency relationship with the Designated Agent(s)/REALTOR[®](s) specified in Clause 10.1 who is/are licensed in relation to the brokerage specified in Clause 10.1.

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INITIALS

- B. The Buyer acknowledges having received, read and understood the BCFSA form entitled "*Disclosure of Representation in Trading Services*" and hereby confirms that the Buyer has an agency relationship with the Designated Agent(s)/REALTOR[®](s) specified in Clause 10.2 who is/are licensed in relation to the brokerage specified in Clause 10.2.

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INITIALS

- C. The Seller and the Buyer each acknowledge having received, read and understood the BCFSA form entitled "*Disclosure of Risks Associated with Dual Agency*" and hereby confirm that they each consent to a dual agency relationship with the Designated Agent(s)/REALTOR[®](s) specified in Clause 10.3 who is/are licensed in relation to the brokerage specified in Clause 10.3, having signed a dual agency agreement with such Designated Agent(s)/REALTOR[®](s) dated the date set out in Clause 10.4.

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INITIALS

- D. If only (A) has been completed, the Buyer acknowledges having received, read and understood the BCFSA form "*Disclosure of Risks to Unrepresented Parties*" from the Seller's agent listed in (A) and hereby confirms that the Buyer has no agency relationship.

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INITIALS

- E. If only (B) has been completed, the Seller acknowledges having received, read and understood the BCFSA form "*Disclosure of Risks to Unrepresented Parties*" from the Buyer's agent listed in (B) and hereby confirms that the Seller has no agency relationship.

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BUYER'S INITIALS

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SELLER'S INITIALS

BC 2053 REV. NOV 2021

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PROPERTY ADDRESS

- 39. **ASSIGNMENT OF REMUNERATION:** The Buyer and the Seller agree that the Seller's authorization and instruction set out in clause 44(c) below is a confirmation of the equitable assignment by the Seller in the Listing Contract and is notice of the equitable assignment to anyone acting on behalf of the Buyer or Seller.
- 40. **ACCEPTANCE IRREVOCABLE (Buyer and Seller):** The Seller and the Buyer specifically confirm that this Contract of Purchase and Sale is executed under seal. It is agreed and understood that the Seller's acceptance is irrevocable, including without limitation, during the period prior to the date specified, for the Buyer to either:
 - A. fulfill or waive the terms and conditions herein contained; and/or
 - B. exercise any option(s) herein contained.
- 40A. **RESTRICTION ON ASSIGNMENT OF CONTRACT:** The Buyer and the Seller agree that this Contract: (a) must not be assigned without the written consent of the Seller; and (b) the Seller is entitled to any profit resulting from an assignment of the Contract by the Buyer or any subsequent assignee.
- 41. **ADDITIONAL TERMS:** The additional terms set out in Schedule 41 are hereby incorporated into and form a part of this Contract.
- 42. **THIS IS A LEGAL DOCUMENT. READ THIS ENTIRE DOCUMENT AND INFORMATION PAGE BEFORE YOU SIGN.**
- 43. **OFFER:** This offer, or counter-offer, will be open for acceptance until the time and date specified in Clause 11.1 (unless withdrawn in writing with notification to the other party of such revocation prior to notification of its acceptance), and upon acceptance of the offer, or counter-offer, by accepting in writing and notifying the other party of such acceptance, there will be a binding Contract of Purchase and Sale on the terms and conditions set forth.

_____ BUYER _____ PRINT NAME _____ WITNESS	_____ BUYER _____ PRINT NAME _____ WITNESS	_____ BUYER _____ PRINT NAME _____ WITNESS
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- 44. **ACCEPTANCE:** The Seller (a) hereby accepts the above offer and agrees to complete the sale upon the terms and conditions set out above, (b) agrees to pay a commission as per the Listing Contract, and (c) authorizes and instructs the Buyer and anyone acting on behalf of the Buyer or Seller to pay the commission out of the cash proceeds of sale and forward copies of the Seller's Statement of Adjustments to the Cooperating/Listing Brokerage, as requested, forthwith after completion.

Seller's acceptance is dated _____, yr. _____

The Seller declares their residency:

RESIDENT OF CANADA _____ INITIALS NON-RESIDENT OF CANADA _____ INITIALS as defined under the *Income Tax Act*.

_____ SELLER _____ PRINT NAME _____ WITNESS	_____ SELLER _____ PRINT NAME _____ WITNESS	_____ SELLER _____ PRINT NAME _____ WITNESS
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*PREC represents Personal Real Estate Corporation
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WHEN A REAL ESTATE LICENSEE ANTICIPATES RECEIVING REMUNERATION* AS A RESULT OF PROVIDING REAL ESTATE SERVICES TO YOU OR ON YOUR BEHALF (OTHER THAN ANY REMUNERATION PAID DIRECTLY BY YOU, THE CLIENT), THEY ARE REQUIRED TO ADVISE YOU OF THIS IN WRITING.

**Remuneration includes any form of remuneration, including any commission, fee, gain or reward, whether the remuneration is received, or is to be received, directly or indirectly.*

PART A: CLIENT INFORMATION

Notice to (name of client) _____

Street address of subject real estate _____

PART B: DISCLOSURE OF COMMISSION (complete only one of the following in Part B)

DISCLOSURE OF COMMISSION WHEN ACTING FOR ONE PARTY

I _____ am licensed under the *Real Estate Services Act* and I disclose to you that my related brokerage
 (name of licensee)
 _____ anticipates receiving a commission of _____
 (name of brokerage) (indicate amount or method of calculation)
 from _____ with respect to real estate services provided to you or on your behalf in relation to the subject real estate.
 (name of individual or organization)

DISCLOSURE OF COMMISSION WHEN ACTING AS DUAL AGENT

I _____ am licensed under the *Real Estate Services Act* and I disclose to you that my related brokerage
 (name of licensee)
 _____ anticipates receiving a commission of _____
 (name of brokerage) (indicate amount or method of calculation)
 from _____ with respect to real estate services provided to you, and to the other party to the transaction,
 (name of individual or organization)
 in relation to the subject real estate.

PART C: DISCLOSURE OF REFERRAL FEES AND OTHER REMUNERATION NOT DISCLOSED IN PART B

I _____ am licensed under the *Real Estate Services Act* and I disclose to you that my related brokerage
 (name of licensee)
 _____ will receive or anticipates receiving remuneration in the form of or amount of
 (name of brokerage)
 _____ from _____ as a result of my recommendation or referral of:
 (indicate form or amount of remuneration) (name of individual or organization)

(a) you to the following individual or organization _____; or
 (name of individual or organization)

(b) the following individual or organization _____ to you.
 (name of individual or organization)

(c) the following individual or organization (who is a party to your real estate transaction) _____ to
 another real estate licensee. (name of individual or organization)

PART D: ACKNOWLEDGEMENT

This disclosure is made to you in compliance with section 56 of the Real Estate Services Rules, at

_____ on _____
 (place) (date)

Name of Licensee _____ Signature of Licensee _____

The undersigned acknowledges receipt of this Disclosure of Remuneration Form at _____ on _____
 (place) (date)

Signature of person/persons to whom disclosure has been made: _____

A COPY OF THIS DISCLOSURE IS NOT REQUIRED BY BCFSA UNLESS SPECIFICALLY REQUESTED.

TITLE SEARCH PRINT

2021-12-02, 16:46:26

File Reference:

Requestor: myLTSA Support

****CURRENT INFORMATION SHOWN****

Land Title District
Land Title Office

DOWNTOWN
DOWNTOWN

Title Number
From Title Number

CA5110262
CA5022264

Application Received

2016-04-14

Application Entered

2016-04-23

Registered Owner in Fee Simple

Registered Owner/Mailing Address:

TRICIA TRADE SUITE 1234 SOME STREET
DOWNTOWN, BC
V8R2S7

Taxation Authority

DOWNTOWN, CITY OF

Description of Land

Parcel Identifier:

002-486-199

Legal Description:

LOT 1 BLOCK 3 DISTRICT LOT 185 PLAN 14002

Legal Notations

NOTICE OF INTEREST, BUILDERS LIEN ACT (S.3(2)), SEE CA4940235
FILED 2021-01-20

HERETO IS ANNEXED EASEMENT CA4940359 OVER LOT 2 PLAN 14002 AND
LEASE CA4940055

HERETO IS ANNEXED EASEMENT CA4940361 OVER LOT 2 PLAN 14002 AND
LEASE CA4940055

HERETO IS ANNEXED EASEMENT CA4940363 OVER THAT PART OF LOT 2, PLAN
14002 INCLUDED IN PLANS EPP39459, EPP39461, EPP51029 AND EPP51553

TITLE SEARCH PRINT

2021-12-02, 16:46:26

File Reference:

Requestor: myLTSA Support

Nature: RESTRICTIVE COVENANT
Registration Number: BW264051
Registration Date and Time: 2004-06-16 11:18
Remarks:

Nature: MORTGAGE
Registration Number: CA4940051
Registration Date and Time: 2016-04-23 15:52
Registered Owner: MOONLIFE BANK
INTER ALIA
Remarks:

SCENE FOUR DEBRIEF QUESTIONS:

1. What conditions did you add into the contract? What made you consider those conditions?

2. If the addition is determined to be a material latent defect, how might you address that in the Commercial Contract of Purchase and Sale?

3. The cooperating commission being offered is 2%. If that did not match or exceed the amount reflected in the Buyer’s Contract, how would you address it?

4. If the seller were to counter the price \$4,288,888, how would this be reflected in the Commercial Contract of Purchase of Sale and how would you complete the “Acceptance” section of the contract?



Offer to Lease

CHARACTER INFORMATION AND BACKGROUND

Barnie Baker is leasing a commercial property and using the services of Linda Lista.

Barnie Baker

What the World Sees of Barnie:

Barnie is in his late 50's and has been a pastry chef and baker for more than 30 years. After several years running his own bakery and coffee shop out of a café space he owned, Barnie decided that he was ready to retire. His commercial property sat empty for a few years. Missing his work making pastries and dealing with his wonderful customers, Barnie thought it might be a good idea to sell his property and then lease a more manageable space where a landlord would be responsible for major maintenance on the property. Barnie will be leasing the property in the registered name of his company Barnie's Baked Goods.

Barnie hired Linda Lista, and sold the property to Betty and Bonita Buyer. He has now retained Linda to help him find a suitable commercial property to lease. He is not willing to spend more than \$5,500 including GST on base rent and \$1,500 in operating costs per month. He also wants three months of base rent waived as part of his build out period or tenant improvement allowance, but will pay operating costs (including taxes and common area maintenance fees) during the build out period.

Barnie's Hidden Characteristics:

He is a stickler for details. If he is going to reopen his café in a new space, the property has to be perfect. When he feels like he is being misled, he can get frustrated and come across as being arrogant.

Barnie's Character Summary:

A sophisticated commercial property owner and lessor who does not need a lot of guidance.

Linda Lista

What the World Sees of Linda:

Linda has been licensed for fifteen years and has established herself in the mid size commercial property market. Her reputation is that she works hard to find her clients the best property for their business, at the best price, and in the shortest period of time. Her business is built on referrals from previous clients, and she finds this to be the best way to meet interested buyers.

Linda's Hidden Characteristics:

- She believes that the key to success is the volume of sales.

Linda's Character Summary:

- Refer back to review each character's personal traits.



Scene One: Outlining the Agency Relationship

Barnie Baker is looking to lease a suitable property to open an Italian café and bakery. He thinks the Commercial Drive area is the perfect spot and has seen a few vacant properties in that area that could be a good fit.

Since Barnie had already worked with Linda Lista to sell the commercial property where he ran his old café, he wants to work with Linda to help him find a property to lease.

Linda is excited to help Barnie find a new property to lease. She too has seen several potential properties available in Barnie's ideal neighborhood and wants to begin setting up showings immediately. Linda asks Barnie to come to her office to go over some paperwork.

Even though Barnie completed all the required disclosure forms when he engaged Linda to sell his small commercial property, she is a consummate professional and wants to ensure that each transaction file at the brokerage has its own copy of the required documentation. Linda also knows that information may have changed from the time Barnie first filled out the documents.

Linda provides Barnie with a new copy of the Disclosure of Representation in Trading Services form and completes it with Barnie outlining their new agency relationship, and a new FINTRAC form as required under PCMLTFA. Linda then provides Barnie with a Tenant's Agency Exclusive Contract and reviews the service agreement in detail with Barnie before he signs it. Once the documents are completed, Linda begins calling the rental property managers to book showings.

In this scene the characters will:

- Discuss agency as it relates to a tenant;
- Acknowledge an agency relationship in writing using both the Disclosure of Representation in Trading Services form and Tenant's Agency Exclusive Contract;
- Review the Privacy Notice and Consent form;
- Complete the FINTRAC Individual Identification Information Record form; and
- Complete LOTR search of client.

Scene One resources:

- These are the supporting resources in this scene:
- Tenants Agency Exclusive Contract;
- Disclosure of Representation in Trading Services form;
- Privacy Notice and Consent form; and
- FINTRAC: Individual Identification Information Record form.

INFORMATION ABOUT THIS CONTRACT **TENANT'S AGENCY EXCLUSIVE CONTRACT**

THIS INFORMATION IS INCLUDED FOR THE ASSISTANCE OF THE PARTIES ONLY. IT DOES NOT FORM PART OF THE CONTRACT AND SHOULD NOT AFFECT THE PROPER INTERPRETATION OF ANY OF ITS TERMS

1. The Tenant's Agency Exclusive Contract when signed by both parties is a legally binding contract. **READ IT CAREFULLY.** The parties should ensure that everything that is agreed to is in writing.
2. The process of leasing real estate is relatively complex and for this reason many tenants seek the help and professional expertise of a licensed real estate brokerage.
3. It is recommended that the relationship between the tenant and the real estate brokerage should be in writing in the form of a Tenant's Agency Exclusive Contract. This will ensure that both parties will have a complete understanding of their rights and responsibilities. Each party will know what they can expect from the other and what is expected from them. This is similar to the common practice of landlords entering into a listing contract when leasing a property. Real estate brokerages cooperate with each other to bring tenants and landlords together. This cooperation will help bring you the best selection of properties which meet your individual requirements.
4. The topic of compensation to the real estate brokerage should be thoroughly discussed. The discussion should include the amount of compensation, sources of payment and when the payment is to be made.
5. REALTORS® are trained to provide valuable assistance to tenants in the following areas:
 1. are trained to provide valuable assistance to tenants in the following areas:
 1. Identifying desirable types of properties to lease
 2. Locating properties available to view and consider
 3. Preliminary investigation and timely information gathering
 4. Viewing properties and providing guidance and advice
 5. Selecting the right property on which to make an Offer to Lease
 6. Preparing a legally binding Offer to Lease
 7. Negotiating favourable terms and conditions
 8. Assisting in arranging property inspections and other needed services
 9. Assisting in the lease negotiation and possession processes

These and other services can be documented on a schedule attached to the contract.

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TENANT'S AGENCY EXCLUSIVE CONTRACT

BETWEEN: _____
 TENANT

 TENANT

 UNIT ADDRESS

 CITY PROV PC

 TELEPHONE NUMBER CELL NUMBER

AND: _____
 (TENANT'S BROKERAGE)

 UNIT ADDRESS

 CITY PROV PC

 TELEPHONE NUMBER CELL NUMBER

1. TERMS OF CONTRACT:

- A. The Tenant hereby appoints the Tenant's Brokerage and the Designated Agent (as herein defined) to find a property in the Market Area (as defined in Clause 1C) for the Tenant to lease and to assist the Tenant in negotiating the terms of an offer to lease (the "Offer to Lease").
- B. The term of this Contract shall commence on _____, yr. _____ and, unless renewed in writing, shall expire at 11:59 pm on _____, yr. _____; provided that the term will terminate if the Tenant's Brokerage and the Designated Agent are unable to continue to provide trading services to the Tenant as a result of Part 5 of Real Estate Service Rules.
- C. The "Market Area" means that area located within the perimeter boundaries of the following areas:

_____ all within the Province of British Columbia

2. DESIGNATED AGENCY:

- A. The Tenant's Brokerage designates _____

 (the "Designated Agent" to act as the sole agent of the Tenant in respect of the lease of a property in the Market Area and will designate one or more licensees of the Tenant's Brokerage to act as the sole agents of all landlords or other tenants who are also represented by the Tenant's Brokerage. If for any reason the license of the Designated Agent (or where the Designated Agent is comprised of more than one licensee, the licenses of all of those licensees) is suspended, cancelled or becomes inoperative under the *Real Estate Services Act* or the Designated Agent (or where the Designated Agent is comprised of more than one licensee, all of those licensees) is temporarily unavailable or ceases to be engaged by the Tenant's Brokerage, the Tenant's Brokerage will designate another licensee of the Tenant's Brokerage to act as the sole agent of the Tenant;
- B. The Designated Agent will not disclose to other licensees, including licensees of the Tenant's Brokerage who represent landlords or other tenants, any confidential information of the Tenant obtained through the Designated Agent's agency relationship with the Tenant unless authorized by the Tenant or required by law.

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C The Tenant agrees that:

- (i) an agency relationship will exist only with the Designated Agent;
- (ii) information obtained by the Designated Agent through the Designated Agent's agency relationship with the Tenant will not be attributed to the Tenant's Brokerage or to other licensees of the Tenant's Brokerage who represent landlords or other tenants; and
- (iii) no agency relationship will exist with the Tenant's Brokerage.

3. THE DESIGNATED AGENT WILL:

- A. Make the Tenant aware of properties located in the Market Area that the Designated Agent is aware of, which may meet the Tenant's requirements and to perform such further services as may be set out in Schedule "A" if attached;
- B. Advise prospective landlords or listing brokerages with whom the Designated Agent is negotiating on the Tenant's behalf, that the Designated Agent is the agent of the Tenant;
- C. If a property in which the Tenant is interested is not listed with a real estate brokerage, the Tenant's Brokerage and the Designated Agent may enter into a fee agreement with the landlord but will not, in any event, act as agent of the landlord;
- D. Not disclose confidential information of the Tenant to any person unless authorized by the Tenant or required by law; and
- E. Treat the interests of the Tenant and all landlords and other tenants also represented by the Tenant's Brokerage in an even handed, objective and impartial manner.

4. THE TENANT AGREES:

- A. Not to use the services of any other brokerage or licensee, within the Market Area, during the term of this Contract;
- B. To advise the Designated Agent of properties within the Market Area in which the Tenant is interested;
- C. To provide the Designated Agent with sufficient information to enable the Designated Agent to determine the Tenant's ability to lease a property;
- D. To negotiate in good faith the Offer to Lease for the property in which the Tenant is interested, provided that the property and the terms of the Offer to Lease are satisfactory to the Tenant;
- E. That the Designated Agent may disclose the Tenant's identity;
- F. That the Designated Agent is being retained solely as a real estate brokerage and not as a lawyer, tax advisor, lender, appraiser, surveyor, structural engineer, building inspector, or other professional services advisor; and
- G. That the Designated Agent may have only a limited knowledge of the physical condition of a property that the Tenant may be interested in leasing and the Tenant will be relying entirely upon information concerning the property's physical condition provided by the landlord or listing brokerage. The Tenant understands and agrees that information provided by a landlord or listing brokerage in respect of a particular property is not warranted by the Designated Agent as being accurate and will be relied upon at the Tenant's risk. The Tenant should make their own enquiries and investigations concerning the physical condition of a property, which should include an independent property inspection.

5. TENANT'S BROKERAGE REMUNERATION:

- A. Prior to the Tenant making an Offer to Lease a property, the Designated Agent will advise the Tenant of the total amount of remuneration offered by the landlord and the listing brokerage to be paid to the Tenant's Brokerage for assisting in obtaining a tenant for that property.

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- B. The Tenant will pay the Tenant's Brokerage a fee of _____ (the "Fee") plus applicable Goods and Services Tax and any other applicable tax in respect of the Fee (Fee plus tax = remuneration) if:
- (i) a lease between the Tenant and a landlord in respect of property located in the Market Areas is entered into during the period of this Contract; or
 - (ii) a lease between the Tenant and a landlord in respect of property located in the Market Area, which is introduced to the Tenant by the Tenant's Brokerage, Designated Agent or by any other person including the Tenant during the period of this Contract is entered into:
 - (a) within sixty (60) days after the expiration of the term of this Contract; or
 - (b) any time after the period described in (a) where the efforts of the Tenant's Brokerage or the Designated Agent were an effective cause;provided, however, that no such Fee is payable if, after the expiration of the term of this Contract, the Tenant has entered into a similar written Tenant's Agency Exclusive Contract with a licensed brokerage in respect of the Market Area and the property is leased during the term of that contract.
- C. Monies, if any, under Clause 5A shall be deducted from the amount due and payable by the Tenant under Clause 5B and the tenant shall pay any shortfall owing to the Tenant's Brokerage
- D. The remuneration due to the Tenant's Brokerage under Clause 5B shall be payable on the earlier of:
- (i) the date on which the lease is submitted to the Land Title Office for registration;
 - (ii) the date the Tenant has the right to take possession of the premises; and
 - (iii) the date the tenant lawfully occupies the premises.
- E. The Tenant's Brokerage will advise the Tenant of any remuneration, other than that described in Clause 5A, to be received by the Tenant's Brokerage in respect of that property.

6. THE TENANT ACKNOWLEDGES AND AGREES THAT:

- A. The duties set out in Real Estate Services Rule 30 apply only to the Designated Agent and do not apply to any other licensees of the Tenant's Brokerage who represent landlords or other tenants and, subject to Clause 3B, 3C and 3D, do not apply to the Tenant's Brokerage;
- B. The Tenant's Brokerage or the Designated Agent may provide trading services to, have agency relationships with or be engaged by other tenants, or be engaged by or to have agency relationships with landlords, unless doing so would constitute a dual agency that is not permitted by Part 5 of the Real Estate Services Rules;
- C. In the case that the provision of trading services to the Tenant contemplated hereby and the provision of trading services to a landlord or another tenant constitutes or becomes a dual agency that is not permitted by Part 5 of the Real Estate Services Rules, the Tenant acknowledges and agrees that the Tenant's Brokerage and the Designated Agent, as applicable, must comply with Real Estate Services Rule 65 and may be required to cease providing certain trading services to the Tenant; and
- D. Despite Real Estate Services Rule 30(f), the Tenant's Brokerage and the Designated Agent will not be required to disclose to the Tenant confidential information obtained through any agency relationship.

7. CONFLICTS OF INTEREST:

- A. If the Designated Agent's provision of trading services to the Tenant and the landlord of a property (referred to in this Clause 7A as the "Property") would constitute a dual agency that is not permitted by Part 5 of the Real Estate Services Rules, the Designated Agent may request consent from the Tenant and such landlord to continue to

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represent either the Tenant or such landlord in respect of the Property and terminate their agency relationship with the other party. In such case, the Designated Agent will present the Tenant and such landlord with a written agreement in compliance with section 65 of the Real Estate Services Rules (the "Consent Agreement"). Notwithstanding anything else in this Contract, if the Tenant and such landlord consent to the Designated Agent continuing to act for one of them, and terminating the agency relationship with the other, in respect of the Property and they execute the Consent Agreement, the Tenant hereby acknowledges and agrees as follows:

- (i) if the Designated Agent ceases to act as the agent of the Tenant, the Designated Agent may otherwise in the future act as the agent of the Tenant in respect of property other than the Property;
- (ii) if the Designated Agent ceases to act as the agent of the Tenant in respect of the Property, subject to Part 5 of the Real Estate Services Rules, the Tenant's Brokerage may designate another licensee of the Tenant's Brokerage to act as the Designated Agent of the Tenant or if the Tenant's Brokerage is unable to or does not designate another licensee of the Tenant's Brokerage, the Tenant's Brokerage may refer the Tenant to another brokerage for representation in respect of the Property; provided that, the Tenant will not be obligated to accept such referral; and
- (iii) if the Designated Agent ceases to act as the agent of the Tenant in respect of the Property, the parties acknowledge that: (A) the Designated Agent's agency with the Tenant will terminate and the Designated Agent will no longer have any duties to the Tenant as agent of the Tenant, whether under this Contract, under the Real Estate Services Rules (other than their duties of confidentiality under Rule 30(e)) or otherwise; and (B) the Tenant's Brokerage and the Designated Agent will be permitted by the terms of the Consent Agreement and the Real Estate Services Rules to continue to represent such landlord.

B. If the Designated Agent's provision of trading services to the Tenant and another tenant with whom the Designated Agent has an agency relationship (the "Other Tenant") in respect of a property (referred to in this Clause 7B as the "Property") would constitute a dual agency that is not permitted by Part 5 of the Real Estate Services Rules, the Designated Agent may request consent from the Tenant and the Other Tenant to continue to represent either the Tenant or the Other Tenant in respect of the Property. In such case, the Designated Agent will present the Tenant and the Other Tenant with a Consent Agreement. Notwithstanding anything else in this Contract, if the Tenant and the Other Tenant consent to the Designated Agent continuing to act for one of them in respect of the Property and they execute the Consent Agreement, the Tenant hereby acknowledges and agrees as follows:

- (i) if the Designated Agent ceases to act as the agent of the Tenant in respect of the Property, the Designated Agent may continue to act as the agent of the Tenant in respect of property other than the Property;
- (ii) if the Designated Agent ceases to act as agent of the Tenant in respect of the Property, subject to Part 5 of the Real Estate Services Rules, the Tenant's Brokerage may designate another licensee of the Tenant's Brokerage to act as the agent of the Tenant in respect of the Property or if the Tenant's Brokerage is unable to or does not designate another licensee of the Tenant's Brokerage, the Tenant's Brokerage may refer the Tenant to another brokerage for representation in respect of the Property; provided that, the Tenant will not be obligated to accept such referral; and
- (iii) if the Designated Agent ceases to act as the agent of the Tenant in respect of the Property, the parties acknowledge that: (A) the Designated Agent's agency with the Tenant will terminate and the Designated Agent will no longer have any duties to the Tenant as agent of the Tenant, whether under this Contract, under the Real Estate Services Rules (other than their duties of confidentiality under Rule 30(e)) or otherwise; and (B) the Tenant's Brokerage and the Designated Agent will be permitted by the terms of the Consent Agreement and the Real Estate Services Rules to continue to represent such Other Tenant.

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INITIALS

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INITIALS

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8. COLLECTION, USE AND DISCLOSURE OF PERSONAL INFORMATION:

- A. The Tenant hereby consents to the collection, use and disclosure by the Tenant's Brokerage and by the managing broker(s), associate broker(s) and representative(s) of the Tenant's Brokerage (collectively the "Licensee") noted below, and the real estate board in whose jurisdiction the Market Area is located and/or of which the Tenant's Brokerage or Licensee is a member, of personal information about the Tenant:
- (i) for all purposes related to the provision of real estate services by the Tenant's Brokerage to the Tenant including but not limited to:
 - (a) locating, assessing and qualifying properties for the Tenant;
 - (b) advertising on behalf of the Tenant; and
 - (c) providing information to third parties including but not limited to lawyers and notaries public, financial institutions, government departments and agencies and building inspectors;
 - (ii) for the purpose of placement in the database of a Multiple Listing Service® of a real estate board, if the property leased by the Tenant is listed on such Multiple Listing Service®;
 - (iii) for compilation, retention and publication by such real estate board of any statistics including historical Multiple Listing Service® data for use by persons authorized to use the Multiple Listing Service® of such real estate board;
 - (iv) for enforcing codes of professional conduct and ethics for members of real estate boards;
 - (v) for such other purposes as are appropriate in connection with the listing, marketing and selling of real estate;
 - (vi) for all other purposes authorized in this Contract; and
 - (vii) for the purposes (and to the recipients) described in British Columbia Real Estate Association's Privacy Notice and Consent form.
- B. The personal information provided by the Tenant may be stored on databases outside Canada, in which case it would be subject to the laws of the jurisdiction in which it is located.

9. MISCELLANEOUS PROVISIONS:

- A. "Period" or "date of expiration" of this Contract includes the period or date of expiration of any written extension.
- B. "Offer to Lease" includes an offer to lease or an agreement to lease.
- C. Interpretation of this Contract and all matters concerning its enforcement by the parties shall be governed by the laws of the Province of British Columbia.
- D. The parties acknowledge that this Contract fully sets out the terms of the agreement between them.
- E. This Contract shall be binding upon and benefit not only the parties but also their respective heirs, executors, administrators, successors and assigns.
- F. This Contract shall automatically end if the Tenant's Brokerage ceases to be licensed under the *Real Estate Services Act*.
- G. "Property" means a leasehold interest, and may include a business and the goodwill and assets of it, an interest, partnership or share in a business or in the goodwill and assets of it, or a manufactured home, plus any other real property designated by a landlord.

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10. AGREEMENT:

- A. The Tenant acknowledges having read and understood this Contract, that it accurately describes the agreement with the Tenant's Brokerage and that the Tenant has received a copy of it.
- B. Where the Tenant's is comprised of more than one party, the obligations under the Contract of each and every party comprising the Tenant shall be joint and several.

SIGNED, SEALED & DELIVERED THIS _____ DAY OF _____ YR. _____.

TENANT'S SIGNATURE 

TENANT'S BROKERAGE (PRINT) 

TENANT'S SIGNATURE 

PER: MANAGING BROKER'S SIGNATURE/AUTHORIZED SIGNATORY 

WITNESS

DESIGNATED AGENT (PRINT) 

DESIGNATED AGENT'S SIGNATURE 

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Your Relationship with a Real Estate Professional

Real estate professionals have a regulatory requirement to present you with this consumer information before providing services to you.

This information explains the different relationships you can have with a real estate professional to buy, sell or lease property. Before you disclose confidential information to a real estate professional regarding a real estate transaction, you should understand what type of business relationship you have with that individual.

BC Financial Services Authority is the legislated regulatory agency that works to ensure real estate professionals have the skills and knowledge to provide you with a high standard of service. All real estate professionals must follow rules that help protect consumers, like you. We're here to help you understand your rights as a real estate consumer.

Keep this information page for your reference.

You can work with a real estate professional in one of the following ways:

AS A CLIENT

If you are the client of a real estate professional, they work on your behalf. The real estate professional representing you has special legal duties to you, including:

- **Loyalty.** They will act only in your best interests.
- **Full disclosure.** They must tell you everything they know that might influence your decision in a transaction.
- **Avoid conflicts of interest.** They must avoid any situation that would affect their duty to act in your best interests.
- **Confidentiality.** They must not reveal your private information without your permission, even after your relationship ends. That includes:
 - your reasons for buying, selling or leasing
 - your minimum/maximum price
 - any preferred terms and conditions you may want to include in a contract

When you become a client, you may be asked to sign a written agreement setting out your and the real estate professional's responsibilities.

AS A NON-CLIENT

A real estate professional who is not representing you as a client does not owe you special legal duties:

- **No loyalty.** They may be representing a client with competing interests to yours in a transaction. They must be loyal to their client, not you.
- **No duty of full disclosure.** They do not have a duty to give you all relevant information.
- **No duty to avoid conflicts.** They are not acting in your interests.
- **No confidentiality.** They must share any information you tell them with their clients in a transaction.

As a non-client, a real estate professional may give you only limited services.

Whenever a real estate professional works with you in a real estate transaction, whether you are their client or not, they have a responsibility to act honestly and with reasonable care and skill.

Your Relationship with a Real Estate Professional

DISCLOSURE OF REPRESENTATION IN TRADING SERVICES

This is a required disclosure form in compliance with sections 54 of the Real Estate Services Rules. Your real estate professional must present the Your Relationship with a Real Estate Professional information page to you along with this disclosure form.

REAL ESTATE PROFESSIONAL DISCLOSURE DETAILS

I disclose that I am (check one):

- representing you as my client
 not representing you as a client

Name

Team name and members, if applicable. The duties of a real estate professional as outlined in this form apply to all team members.

Signature

Date

Notes:

CONSUMER ACKNOWLEDGMENT:

This is NOT a contract

I acknowledge that I have received the **Your Relationship with a Real Estate Professional** consumer information page and this disclosure form.

Name (optional)

Name (optional)

Initials (optional)

Date

Initials (optional)

Date

A copy of this disclosure is not required to be provided to BC Financial Services Authority unless it is specifically requested.

To help you sell, buy or lease real estate, REALTORS®, brokerages and real estate boards need to collect, use and disclose some of your personal information. This form provides you with information about, and obtains your consent to, such information handling practices.

DEFINITIONS

Personal Information means any identifiable information about you, including your name, address, phone number, financial information and may include information about your property (such as listing and selling price, lease rate, listing term, etc.).

A REALTOR® is a member of a real estate board, the British Columbia Real Estate Association (BCREA) and of The Canadian Real Estate Association (CREA). REALTORS® in BC are licensed under the *Real Estate Services Act*. Brokerage refers to the real estate company where your REALTOR® is licensed. The boards are British Columbia real estate boards that are members of BCREA. REALTORS® provide MLS® services, which are professional services to effect the purchase and sale of real estate as part of a co-operative selling system, otherwise known as an MLS® System. A MLS® System is a member-to-member cooperative selling system for the purchase, sale or lease of real estate that is owned or controlled by a board, includes an inventory of listings of participating REALTORS®, and ensures a certain level of accuracy of information, professionalism, and cooperation amongst REALTOR® members.

How is my personal information collected?

Most personal information will be collected directly from you through the contracts and other documents you fill out (e.g., Multiple Listing Contract, Contract of Purchase and Sale, Offer to Lease, seller's Property Disclosure Statement) and through discussions you have with the REALTOR® to whom you are giving this consent. Some information may be collected from other sources such as government departments and agencies (e.g., Land Title Offices, BC Assessment), financial institutions and mortgage brokers.

To whom may my personal information be disclosed?

Your information may be disclosed to (or may be accessible by) the boards and their staff and members, other REALTORS® and their clients, government departments and agencies, financial institutions, legal advisors, service providers, BCREA, the Real Estate Council of British Columbia (RECBC), CREA and members of the public, for the purposes described below.

Not all of your information will be accessible to each of the above-mentioned entities. For example, once the listing term has ended, the general public will not have access to your information, unless it is otherwise available through public registries or publications (e.g., Land Title Offices, BC Assessment, REALTOR.ca).

Your personal information may be transferred to or stored in a foreign country, in which case the governments, courts, law enforcement, or regulatory agencies of that country may be able to obtain access to your personal information through the laws of that foreign country.

Why is my personal information collected, used and disclosed?

Your personal information may be collected, used and disclosed for some or all of the primary uses set out below.

- 1a) To list/market your property on the MLS® System in accordance with the terms and conditions of the MLS® System and the boards.
- 1b) To allow members of real estate boards (including REALTORS® and appraisers) to value your property.
- 1c) To market your property through any other media (both print and electronic).
- 1d) To help you locate a suitable property to buy or lease.
- 1e) To facilitate the purchase and sale or lease transaction both before and after the completion of your transaction or entering into of your lease (including by cooperating with financial institutions, legal advisors, government departments and agencies and third parties engaged in connection with the purchase and sale or lease transaction, such as photographers, appraisers and other service providers, and by communicating with you to coordinate any of the foregoing or to ensure your satisfaction with any of the foregoing and the real estate services provided to you in connection with the transaction)

1f) To allow the boards (including REALTORS®) to compile current and historical statistics on sales and property prices and lease rates, and to conduct comparative market analyses. Information about your property will be retained in the MLS® System and handled in accordance with its and the boards' terms and conditions, and published by the boards from time to time for these purposes after your property has sold or leased or your listing has expired (if you are a seller/landlord) and after you have purchased or leased your property (if you are a buyer/tenant).

1g) To enforce codes of professional conduct and ethics for REALTORS® (by cooperating with the boards, BCREA, RECBC, CREA and other regulatory bodies).

1h) To comply with legal requirements and to act pursuant to legal authorizations.

The above-mentioned primary uses are a necessary part of your relationship with the REALTOR® to whom you are giving this consent.

Will my personal information be collected, used and disclosed for any other purposes?

Your personal information may also be collected, used and disclosed for the secondary uses set out below. These secondary uses are optional. If you do not want your personal information used or disclosed for any of these secondary uses, you may opt out of granting consent to any of them by initialing the "Opt Out" box(es) to the right of the secondary use(s) to which you do not want to consent.

- | | |
|--|---|
| <p>2a) The REALTOR® to whom you are giving this consent (or their brokerage) may communicate with you in the future to determine whether you require additional real estate services.</p> <p>2b) The REALTOR® to whom you are giving this consent (or their brokerage) may communicate with you to provide information about other products or services that may interest you.</p> <p>2c) Other REALTORS® may communicate with you to determine if you require additional real estate services.</p> <p>2d) The boards, and other REALTORS® or their brokerage (and survey firms on their behalf) may communicate with you to participate in surveys.</p> | <p>Opt Out</p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> |
|--|---|

(Initials)

You may withdraw your consent to any or all of the secondary uses in the future by contacting the REALTOR® to whom you are giving this consent or that REALTOR®'s board's privacy officer.

Contact information for all boards can be obtained from BCREA (website www.bcrea.bc.ca or telephone 604.683.7702).

ACKNOWLEDGEMENT

I/We consent to the collection, use and disclosure of personal information as described in this Privacy Notice and Consent form.

PRINT NAME _____

SIGNATURE _____

DATE _____

PRINT NAME _____

SIGNATURE _____

DATE _____

REALTOR® _____

BROKERAGE _____



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Individual Identification Information Record

NOTE: An Individual Identification Information Record is required by the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*. This Record must be completed by the REALTOR® member whenever they act in respect to the purchase or sale of real estate.

It is recommended that the Individual Identification Information Record be completed:

- (i) for a buyer when the offer is submitted and/or a deposit made, and
- (ii) for a seller when the seller accepts the offer.

Transaction Property Address:
.....
Sales Representative/Broker Name:
Date Information Verified/Credit File Consulted:

A. Verification of Individual

NOTE: One of Section A.1, A.2, or A.3 must be completed for your individual clients or unrepresented individuals that are not clients, but are parties to the transaction (e.g. unrepresented buyer or seller). Where you are unable to identify an unrepresented individual, complete section A.4 and consider sending a Suspicious Transaction Report to FINTRAC if there are reasonable grounds to suspect that the transaction involves the proceeds of crime or terrorist activity. Where you are using an agent or mandatary to verify the identity of an individual, see procedure described in CREA's materials on REALTOR Link®.

- 1. Full legal name of individual:
- 2. Address:
- 3. Date of Birth:
- 4. Nature of Principal Business or Occupation:

A.1 Federal/Provincial/Territorial Government-Issued Photo ID

Ascertain the individual's identity by comparing the individual to their photo ID. The individual must be physically present unless using technology capable of assessing a government-issued photo identification document's authenticity.

- 1. Type of Identification Document*:
- 2. Document Identifier Number: (must view the original and have a photo, see CREA's FINTRAC materials on REALTOR Link® for examples)
- 3. Issuing Jurisdiction: Country:
- 4. Document Expiry Date: (insert applicable Province, Territory, Foreign Jurisdiction or "Canada")
(must be valid and not expired)

A.2 Credit File Method

Ascertain the individual's identity by comparing the individual's name, date of birth and address information above to information in a Canadian credit file that has been in existence for at least three years and is derived from more than one source. If any of the information does not match, you will need to use another method to ascertain client identity. Consult the credit file at the time you ascertain the individual's identity. The individual does not need to be physically present.

- 1. Name of Canadian Credit Bureau Holding the Credit File:
- 2. Reference Number of Credit File:

A.3 Dual ID Process Method

1. Complete two of the following three checkboxes by ascertaining the individual's identity by referring to information in two independent, reliable, sources. Each source must be well known and reputable (e.g., federal, provincial, territorial and municipal levels of government, crown corporations, financial entities or utility providers). The individual does not need to be physically present.

- Confirm the individual's name and date of birth by referring to a document or source containing the individual's name and date of birth*
 - Name of Source:
 - Account Number**: (must be valid and not expired; must be recent if no expiry date)
- Confirm the individual's name and address by referring to a document or source containing the individual's name and address*
 - Name of Source:
 - Account Number**: (must be valid and not expired; must be recent if no expiry date)
- Confirm the individuals' name and confirm a financial account*
 - Name of Source:
 - Financial Account Type:
 - Account Number**:

*See CREA's FINTRAC materials on REALTOR Link® for examples. ** Or reference number if there is no account number.



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Individual Identification Information Record

A.4 Unrepresented Individual Reasonable Measures Record *(if applicable)*

Only complete this section when you are unable to ascertain the identity of an unrepresented individual.

1. Measures taken to Ascertain Identity *(check one)*:

- Asked unrepresented individual for information to ascertain their identity
- Other, explain:

Date on which above measures taken:

2. Reasons why measures were unsuccessful *(check one)*:

- Unrepresented individual did not provide information
- Other, explain:

B. Verification of Third Parties

NOTE: Only complete Section B for your clients. Take reasonable measures to determine whether your clients are acting on behalf of third parties by completing this section of the form. If you are not able to determine whether your clients are acting on behalf of a third party but there are reasonable grounds to suspect there are, complete Section B.1. If there is a third party, complete Section B.2.

B.1 Third Party Reasonable Measures

Is the transaction being conducted on behalf of a third party according to the client? *(check one)*:

- Yes
- No

Describe why you think your client may be acting on behalf a third party:

.....

B.2 Third Party Record

Where there is a third party, complete this section.

1. Name of other entity:
2. Address:
3. Telephone number:
4. Date of Birth *(if applicable)*:
5. Nature of Principal Business or Occupation:
6. Registration or incorporation number, and jurisdiction and country that issued that number *(if applicable)*:
7. Relationship between third party and client:



Individual Identification Information Record

NOTE: Only complete Sections C and D for your clients.

C. Client Risk *(ask your Compliance Officer if this section is applicable)*

Determine the level of risk of a money laundering or terrorist financing offence for this client by determining the appropriate cluster of client in your policies and procedures manual this client falls into and checking one of the checkboxes below:

Low Risk

- Canadian Citizen or Resident Physically Present
- Canadian Citizen or Resident Not Physically Present
- Canadian Citizen or Resident – High Crime Area – No Other Higher Risk Factors Evident
- Foreign Citizen or Resident that does not Operate in a High Risk Country (physically present or not)
- Other, explain:

Medium Risk

- Explain:

High Risk

- Foreign Citizen or Resident that operates in a High Risk Country (physically present or not)
- Other, explain:

If you determined that the client's risk was high, tell your brokerage's Compliance Officer. They will want to consider this when conducting the overall brokerage risk assessment, which occurs every two years. It will also be relevant in completing Section D below. Note that your brokerage may have developed other clusters not listed above. If no cluster is appropriate, the agent will need to provide a risk assessment of the client, and explain their assessment, in the relevant space above.



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Individual Identification Information Record

D. Business Relationship

D.1. Purpose and Intended Nature of the Business Relationship

Check the appropriate boxes.

Acting as an agent for the purchase or sale of:

- | | |
|---|---|
| <input type="checkbox"/> Residential property | <input type="checkbox"/> Residential property for income purposes |
| <input type="checkbox"/> Commercial property | <input type="checkbox"/> Land for Commercial Use |
| <input type="checkbox"/> Other, please specify: | |

Optional: describe your business dealings with the client and include information that would help you anticipate the types of transactions and activities that the client may conduct.

.....
.....

D.2. Measures Taken to Monitor Business Relationship and Keep Client Information Up-To-Date

D.2.1. Ask the client if their name, address or principal business or occupation has changed and if it has include the updated information on page one.

D.2.2 Keep all relevant correspondence with the client on file in order to maintain a record of the information you have used to monitor the business relationship with the client. Optional - if you have taken measures beyond simply keeping correspondence on file, specify them here:

D.2.3. If the client is high risk you must conduct enhanced measures to monitor the brokerage's business relationship and keep their client information up to date. Optional - consult your Compliance Officer and document what enhanced measures you have applied:

D.3 Suspicious Transactions

Don't forget, if you see something suspicious during the transaction report it to your Compliance Officer. Consult your policies and procedures manual for more information.

E. Terrorist Property Reports

Don't forget to follow your brokerage's procedures with respect to terrorist property reports. Consult your policies and procedures manual for more information.



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SCENE ONE DEBRIEF QUESTIONS:

1. What questions arose when you were acting out the scene?

2. Why is it prudent for a real estate professional to make a new disclosure of representation if one was made with the same client for a previous transaction?

3. What are some differences in the representation services being provided to a tenant vs. a seller? Did you discuss those differences with Bernie?

4. What clauses of the Tenant’s Agency Exclusive Contract did you review with Bernie?

5. What are some of the services that the brokerage might include?

Scene Two: Material Information

Having viewed several properties, Bernie finds one he thinks is perfect on July 4th. It is a small 1,250 square foot property on street level that was previously used as a bakery in the area that Bernie was hoping for, and is within his desired price range. The zoning of the property is exactly what Bernie needs and there is a permitted use under that zoning for his bakery.

There were only minor renovations and updates needed to make the property match the style Bernie was hoping for. The previous tenants also removed all of their equipment, so the property is a blank slate.

Bernie meets Linda in her office to review the facts about the commercial space.

Bernie opens the scene by thanking Linda for taking him through the property.

In this scene the characters will:

- Determine the suitability of the property and identify what features are important to Bernie;
- Review what conditions Bernie may want to include in the offer to lease;
- Determine and discuss facts about the property; and
- Agree to follow up with necessary documentation to verify property information.

SCENE TWO DEBRIEF QUESTIONS:

1. What information was important to Bernie?

2. As a real estate professional, how might you approach the discussion as to who should be reviewing documents relating to the commercial property?

3. What would happen if the property was not previously used as a bakery?

- How would you determine the zoning and permitted use of the property?

4. If equipment was included in the lease, what would you change in drafting the offer?



Scene Three: Drafting the Offer to Lease

Linda is satisfied that she has learned all she needs to know about Bernie Baker as a tenant.

“Ok” Linda says, “Let’s talk about the fixtures and equipment you’re going to install in the premises. Do you currently own all the equipment you need?” “Yes I do,” Bernie replies. “The equipment is sitting in storage and can be installed as soon as I get possession of the property. Hopefully with any renovations, it will not take more than the three months to build out. I need the landlord to give me the build out time rent free.”

After some discussion, including the results of Linda’s market research, Bernie decides to offer \$45 per square foot per annum for the first five years of the term, and \$55 per square foot per annum for the last five years of the total ten-year term of base rent. Additionally, \$15 per square foot will be added to cover operating costs including property taxes, lawn care/snow removal, utilities and common area maintenance. The operating costs will be adjusted year to year so Bernie must budget for any potential increases.

Linda is glad that Bernie’s Bake Shop Ltd. is already registered with the BC Registrar of Companies, as required and Bernie wants to take possession of the property on September 1.

“Great,” Linda says, “I have all I need to draft up an initial Offer to Lease. I’ll present it to the landlord as soon as possible for his consideration after you to sign it.”

In this scene the characters will:

- Review the Offer to Lease form; and
- Review what conditions Bernie may want to include in the offer to lease including the requested build out time.

Scene Three resources:

These are the supporting resources in this scene:

- Offer to Lease form;
- BCFSAs standard clauses (online); and
- Knowledge Base (online)..

INFORMATION YOU WILL NEED TO PREPARE AN OFFER

• Property Address:

- 101-888 Commercial Drive
- Downtown, BC V8R 2S7

- **Offer Information:**

- Offer is drafted on July 5

- **Tenant's Real Estate Professional:**

- Linda Lista
- Ph: 788-605-1717

- **Tenant's Brokerage information:**

- Sell Realty
- 200 Main Street, Uptown BC V9S 3T9
- Ph: 788-555-1234

- **Tenant:**

- Bernie's Bake Shop Ltd.
- Ph: 788-222-1125
- Bernie is a Canadian Resident
- 12 Rainbow Way
- Downtown BC, V2V 1C3
- Bernie is a resident of Canada

- **Landlord's Real Estate Professional:**

- Peter Garcia
- Ph: 604-555-6988
- Landlord's Brokerage Information:
- Peterman Commercial Realty
- 235 Tall St.
- Downtown BC, V1Y 3M4

- **Landlord:**

- Iron Properties Ltd.
- 101 Mountain Way
- Downtown, BC V7A 7N1

- **Lease Term:**

- 10 years with an option to renew for a further 5 years.
- Notice of the renewal is to be provided 6 months before the expiry of the initial lease term.

- **Rent:**

- Rent is \$45 per square foot for the first five years, and \$55 per square foot for years 6-10 base rent.
- \$15 per square foot of estimated operating costs to be adjusted at year end.
- The property is 1250 square feet in size.

- **Property Address:**

- 352 Commercial Dr.
- Downtown, BC V8H 1U3

- **Legal Address:**

- Lot 1 Section 2 Block 3 District Lot 45 Plan 798

- **PID:**

- 850-585-928

- **Deposit:**

- \$10,000 will be paid to the landlord within 48 hours of acceptance of the offer.

- **Lease:**

- The landlord's standard form lease is to be provided within 20 days of acceptance, and the lease is to be reviewed and approved by the tenant within 20 days of receipt from the landlord.

- **Expiration:**

- The offer is to remain open until July 13 at 5:00 p.m.

INFORMATION ABOUT THIS OFFER TO LEASE

OFFER TO LEASE

THIS INFORMATION IS INCLUDED FOR THE ASSISTANCE OF THE PARTIES ONLY. IT DOES NOT FORM PART OF THE CONTRACT AND SHOULD NOT AFFECT THE PROPER INTERPRETATION OF ANY OF ITS TERMS

A. LEASES: Understanding leases is of the utmost importance in the operation and ownership of investment properties such as offices, retail stores, industrial buildings and the operation and ownership of businesses. The leases establish the present and future income from the property and play a major role in determining property value. Leases form a significant expense for many businesses.

As offers to lease and leases tend to be complex and difficult to read, they should be read over carefully as their terms and conditions will vary significantly from lease to lease.

When completed, the Lease should include all terms and conditions that the parties have agreed to, and each page should be initialed by all parties to confirm that they have read and agreed to all of the terms of the Lease.

There are a wide variety of offers to lease, meant to cover the multitude of requirements of landlords and tenants. This Offer to Lease is a generic document and as such it will not be suitable for every situation. **Some situations it does not cover include:**

- early occupation by the tenant or access during the fixturing period,
- tenant improvement allowances and other tenant incentives,
- right of first refusal or options to lease adjoining space,
- right of first refusal or option to buy the premises,
- parking, signage or registration of the lease,
- percentage rents.

Each of these requirements should be addressed by attaching a separate schedule with the appropriate wording reflecting the requirements of the landlord or prospective tenant in this regard. When complete, read it over carefully to ensure that the schedule contains every additional term that the parties have agreed to.

B. FLOOR MEASUREMENT OF COMMERCIAL PROPERTIES: Uniformity and consistency in carrying out floor measurements is very important. The "Standard Method of Floor Measurement for Office Buildings" used by the Building Owners and Managers Association ("BOMA") and the Society of Industrial & Office REALTORS®, is recommended by The Canadian Real Estate Association.

Under the BOMA requirements, the rentable area of a multiple tenancy floor, whether above or below grade, is the sum of all rentable areas on that floor. The rentable area of an office on a multiple tenancy floor should be computed by measuring to the inside finish of permanent outer building walls, or to the glass line if at least 50% of the outer building wall is glass, to the office side of corridors and/or other permanent partitions, and to the centre of partitions that separate the premises from adjoining rentable areas. No deductions shall be made for columns and projections necessary to the building.

The rentable area of a single tenancy floor, whether above or below grade, should be computed by measuring to the inside finish of permanent outer building walls, or from the glass line where at least 50% of the outer building wall is glass. Rentable area shall include all area within outside walls, less stairs, elevator shafts, flues, pipe shafts, vertical ducts, air-conditioning rooms, fan rooms, janitor closets, electrical closets and such other rooms not actually available to the tenant for their furnishings and personnel and their enclosing walls. Toilet rooms within and exclusively serving only that floor shall be included in rentable area. No deductions shall be made for columns and projections necessary to the building.

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INFORMATION ABOUT THIS OFFER TO LEASE
OFFER TO LEASE (continued)

To determine the number of square feet (or square metres) in a ground floor rentable store area, measure from the building line in the case of street frontages and from the inner surface of corridor and other permanent partitions and to the centre of partitions that separate the premises from adjoining rentable areas. No deduction should be made for vestibules inside the building line or for columns or projections necessary to the building. No addition should be made for bay windows extending outside the building line.

In addition to the foregoing, it is also recommended that in the case of industrial and warehouse buildings, the method of measurement now in practice be followed. For example, free-standing buildings with parking, loading and some useable storage area around the building should be measured on an "out to out" basis whereby the outside perimeter wall is used to calculate the gross rentable area. In multi-tenancy buildings, the floor space is calculated from the outside wall to the center of the party wall.

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OFFER TO LEASE

The Tenant hereby offers to lease (the "Offer") from the Landlord certain premises described below, on the following terms and conditions:

Part 1 – INFORMATION SUMMARY

1. PREPARED BY		PARA REF.
1.1. Name of Brokerage		
1.2. Brokerage Address		
1.3. Licensee (a licensee may be the Brokerage's managing broker(s), associate broker(s) or representative(s))		
1.4. Brokerage Phone Number	1.5. MLS® No.	
2. PARTIES		
2.1a. Landlord _____		
2.1b. Landlord _____		
2.2. Landlord's Address		
2.3. Landlord's Phone No.	Email	Fax No.
2.4. Landlord's Residency (as defined in the <i>Income Tax Act</i>) <input type="checkbox"/> RESIDENT OF CANADA <input type="checkbox"/> NON-RESIDENT OF CANADA		
2.5. Tenant		
2.6. Address		
2.7. Tenant's Phone No.	Email	Fax No.
2.8. Occupation		
2.9. Tenant's Operating Name		
2.10. Covenantor		30
2.11. Address		30
2.12. Covenantor's Phone No.	Email	Fax No. 30

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PROPERTY ADDRESS

3. PROPERTY						PARA REF.
3.1. Legal Description of Land						18
3.1. PID						18
3.2. Civic Address of Land/Buildings/Premises						18
3.3. Premises		Schedule 3.3 Attached		<input type="checkbox"/> YES <input type="checkbox"/> NO		18
3.4. Area of Premises		Schedule 3.4 Attached		<input type="checkbox"/> YES <input type="checkbox"/> NO		18
4. TERM						
4.1. Term						19
4.2. Commencement Date						19
4.3. Expiry Date						19
5. POSSESSION/OCCUPANCY						
5.1. Date						20
6. RENT						
Type of Rent (Choose one):	YEAR(S)	YEAR(S)	YEAR(S)	YEAR(S)	YEAR(S)	
<input type="checkbox"/> 6.1. Gross Rent Per Month; OR	\$	\$	\$	\$	\$	21
<input type="checkbox"/> 6.2. Basic Rent Per Square Foot Per Annum	\$	\$	\$	\$	\$	21
Basic Rent Per Month	\$	\$	\$	\$	\$	21
Estimated Additional Rent for Year _____ is \$ _____ Per Square Foot Per Annum (\$ _____ per month)						21
6.3. Rent Schedule Attached		Schedule 6.3 Attached		<input type="checkbox"/> YES <input type="checkbox"/> NO		22
7. PERMITTED USE						
7.1. Permitted Use						23
8. LANDLORD'S IMPROVEMENTS						
8.1. Landlord's Improvements		Schedule 8.1 Attached		<input type="checkbox"/> YES <input type="checkbox"/> NO		24
<input type="checkbox"/> NONE						

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PROPERTY ADDRESS _____

9. TENANT'S IMPROVEMENTS		PARA REF.
9.1. As Viewed On (Date)		
9.1. Tenant's Improvements <input type="checkbox"/> NONE	Schedule 9.2 Attached <input type="checkbox"/> YES <input type="checkbox"/> NO	25
10. LEASE		
10.1. Lease Attached	Schedule 10.1 Attached <input type="checkbox"/> YES <input type="checkbox"/> NO	26
10.2. Lease to be Provided by Landlord Within _____ Days of Acceptance		26
10.3. Lease to be Reviewed and Approved by Tenant By: <input type="checkbox"/> Tenant's Condition Removal Date <input type="checkbox"/> Within _____ Days of Receipt from Landlord <input type="checkbox"/> Date _____		26
11. OPTION TO RENEW		
11.1. Number of Renewal Term(s): _____ of _____ Years Each		27
11.2. Renewal Notice to be Provided by the Tenant in Writing: _____ Months Before Expiry of Term		27
12. TENANT'S CONDITIONS PRECEDENT		
12.1. <input type="checkbox"/> NONE	Schedule 12.1 Attached <input type="checkbox"/> YES <input type="checkbox"/> NO	32
13. LANDLORD'S CONDITIONS PRECEDENT		
13.1. <input type="checkbox"/> NONE	Schedule 13.1 Attached <input type="checkbox"/> YES <input type="checkbox"/> NO	33
14. DEPOSIT		
14.1. Deposit to be Provided by the Following Date: _____ _____		34
14.2. Amount of Deposit		34
14.3. Deposit to be Paid in Trust To		34
14.4. Deposit to be applied as follows		34

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15. AGENCY DISCLOSURE		PARA REF.
15.1. Landlord's Designated Agent: Licensee & Brokerage		36
15.2. Tenant's Designated Agent: Licensee & Brokerage		36
15.3. Limited Dual Agency Designated Agent: Licensee & Brokerage		36
15.4. Date of Limited Dual Agency Agreement		36
16. OFFER		
16.1. Offer/Counter-Offer Open Until (Date & Time)		40
17. SCHEDULES		
3.3. Premises	Attached <input type="checkbox"/> YES <input type="checkbox"/> NO	
3.4. Area of Premises	Attached <input type="checkbox"/> YES <input type="checkbox"/> NO	
6.3. Rent Schedule	Attached <input type="checkbox"/> YES <input type="checkbox"/> NO	
8.1. Landlord's Improvement	Attached <input type="checkbox"/> YES <input type="checkbox"/> NO	
9.2. Tenant's Improvement	Attached <input type="checkbox"/> YES <input type="checkbox"/> NO	
10.1. Lease	Attached <input type="checkbox"/> YES <input type="checkbox"/> NO	
12.1. Tenant's Conditions Precedent	Attached <input type="checkbox"/> YES <input type="checkbox"/> NO	
13.1. Landlord's Conditions Precedent	Attached <input type="checkbox"/> YES <input type="checkbox"/> NO	
39. Additional Terms Attached	Attached <input type="checkbox"/> YES <input type="checkbox"/> NO	

Part 2 – TERMS

18. DESCRIPTION OF PREMISES: The Premises shall consist of approximately the square footage set out in section 3.4 and as shown outlined on the plan attached hereto as Schedule 3.3 if so indicated. All measurements shall be determined using the current Building Owners and Managers Association (BOMA) standard method of measurement and Basic and Additional Rent shall be adjusted accordingly.

19. TERM: The term of the Lease shall be for the Term set out in section 4.1, commencing on the Commencement Date set out in section 4.2, and expiring on the Expiry Date set out in section 4.3.

20. DATE OF POSSESSION/OCCUPANCY: The Tenant shall have possession of and may occupy the Premises on the Possession Date set out in section 5.1.

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- 21. RENT:** The Tenant shall pay to the Landlord the Gross Rent or Basic Rent specified in section 6, payable monthly in advance without deduction in equal monthly installments on the first day of each and every month throughout the Term, in the amounts specified in section 6 commencing on the Commencement Date or in accordance with Schedule 6.3 if attached.
- 22. ADDITIONAL RENT:** The Lease shall be absolutely net or gross to the Landlord as specified in section 6, except for structural defects, as defined in the Lease, the expense of which shall be borne by the Landlord and, if net, in addition to Basic Rent plus GST, the Tenant shall pay for all other charges and expenses provided for in the Lease from the Commencement Date, including, without limitation, the Tenant's proportionate share (being the ratio of the rentable area of the Premises divided by the total rentable floor area of the Building) of property taxes, business taxes, water/sewer rates, building insurance, maintenance, management fees, heat, light and power, plus GST applicable to the foregoing (the "Additional Rent"). The Additional Rent shall be estimated and adjusted annually by the Landlord and paid in advance with the Basic Rent on the first day of each month and every month throughout the Term. The estimated Additional Rent in respect of the Premises is set out in section 6 and shall commence on the date specified in therein.
- 23. PERMITTED USE:** The Tenant shall use the Premises for the permitted use specified in section 7.1 only, and for no other purposes without the prior written approval of the Landlord as set out in the Lease, such approval not to be unreasonably withheld.
- 24. LANDLORD'S IMPROVEMENTS:** The Premises are to be provided by the Landlord on an "as is, where is" basis, except for those improvements outlined in Schedule 8.1 which shall be provided at the Landlord's expense. The Landlord shall be responsible for all permits for the Landlord's Improvements. All other leasehold improvements shall be completed at the Tenant's cost.
- 25. TENANT'S IMPROVEMENTS:** The Tenant agrees to accept the Premises on an "as is, where is" basis, as viewed by the Tenant on the Viewing Date specified in section 9.1 except for that work specifically set forth in Schedule 8.1 as the Landlord's Improvements. The Tenant shall carry out all work necessary to complete the Premises, as set out in the attached Schedule 9.2. The Tenant shall be required to prepare working drawings of the proposed Tenant's Improvements and obtain the written consent of the Landlord before commencing the Tenant's Improvements, such consent not to be unreasonably withheld. All Tenant's Improvements shall be done at the Tenant's sole cost and expense by qualified and licensed contractors and subcontractors who shall be subject to the reasonable approval of the Landlord unless otherwise agreed between the parties in Schedule 9.2. All such Tenant's Improvements shall be performed in a first class manner in accordance with the provisions of the Lease. The Tenant shall be responsible for all permits for the Tenant's Improvements.
- 26. THE LEASE:** The Lease for the Premises (the "Lease") shall be the Landlord's Standard Form of Lease for the Premises. A copy of the Lease is attached as Schedule 10.1 or, if not attached, a copy of the Lease shall be delivered to the Tenant within the time specified in section 10.2 following acceptance of this Offer. The Lease shall be modified to include the provisions of this Offer in either event. The Tenant shall have the time specified in section 10.3 after receipt of the Lease to review and approve of the Lease. Upon completion of the Tenant's review and approval, the Landlord shall prepare and deliver the Lease to the Tenant for execution. The Tenant shall execute the Lease and shall cause any Covenantor to execute the Lease, and shall deliver the Lease to the Landlord forthwith upon receipt of the same, and in any event prior to taking possession of and commencing business operations from the Premises. If the

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Tenant takes possession of the Premises without executing the Lease, the Tenant shall be deemed to have executed the Lease and shall be bound by all of the provisions thereof, provided however the Tenant shall remain obligated to execute and deliver the Lease to the Landlord forthwith upon demand, and such failure to execute and deliver the Lease to the Landlord shall constitute a default under the terms of the Lease. The Landlord shall not be obliged to deliver the Lease to the Tenant in a form acceptable for registration.

- 27. OPTION TO RENEW:** Provided the Tenant duly and regularly pays the rent, plus GST, and has not been in breach of any of the terms, conditions and covenants contained in the Lease, the Tenant shall have the option to renew the Lease, for a further term specified in section 11.1 (the "Renewal Term") on the same terms and conditions as the initial Term except for Basic Rent, any free rent allowance, fixturing period, any other tenant inducements or allowances and this option to renew. The rental for the Extended Term shall be based on the prevailing fair market rental for improved premises of similar size, quality, use and location, as agreed between the parties, and failing such agreement, as determined by arbitration pursuant to the *Arbitration Act*. The Tenant shall give written notice of the Tenant's intent to exercise such option to renew to the Landlord no later than the time specified in section 11.2 prior to the date of expiry of the initial Term, failing which, such option shall be null and void and incapable of exercise.
- 28. ASSIGNMENT:** The Tenant shall not assign all or any of its rights or obligations under this Offer, except with the prior written consent of the Landlord.
- 29. NOTICE:** Any notice given shall be in writing and prior to the Commencement Date, the addresses of the Landlord and Tenant for notices shall be the addresses set out in section 2 of this Offer, and any such notice shall be deemed to be received by the party to whom it was addressed, if delivered by hand, then upon delivery, or, on the third business day after the date on which it was mailed by prepaid registered mail except in the event of labour disruptions affecting postal service occurring prior to the deemed date of receipt thereof in which case notice shall only be delivered by hand.
- 30. COVENANTOR:** If this Offer is accepted by the Landlord, the Covenantor specified in section 2.10 and in further consideration of the Landlord accepting the Offer, shall be bound to preserve and perform the terms of this Offer as accepted as if the Covenantor were the Tenant, and the Covenantor shall execute and deliver to the Landlord, as Covenantor named therein, the Lease concurrently with the execution and delivery thereof by the Tenant. The Covenantor covenants with the Landlord that the Covenantor is jointly and severally bound among themselves and the Tenant for the fulfillment of all obligations of the Tenant under this Offer and the Lease.
- 31. CONTAMINATED SITES:** Pursuant to the *Environmental Management Act*, and the Contaminated Sites Regulation, the Landlord shall be responsible for preexisting contamination on the Premises, if any, at the time the Tenant takes possession. The Tenant shall be responsible for any contamination of the Premises related to, or as a result of, the use and occupation of the Premises by the Tenant or any act or omission of the Tenant or any person for whom it is in law responsible, and shall indemnify the Landlord with respect thereto. The Tenant shall not contaminate the Premises or otherwise contravene the *Environmental Management Act* as amended or any other statutes, laws, regulations, orders, bylaws standards, guidelines, permits and other lawful requirements of any governmental authority having jurisdiction over the Premises.

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32. TENANT'S CONDITIONS PRECEDENT: This Offer and its acceptance is subject to the condition(s) precedent set out in Schedule 12.1, all of which are for the sole benefit of the Tenant (the "Tenant's Conditions"). The Tenant's Conditions shall be removed or waived by notice in writing from the Tenant to the Landlord on or before the times specified in Schedule 12.1, or the agreement resulting from the acceptance of this Offer shall become null and void and of no force or effect and the deposit shall be returned to the Tenant. The Landlord and Tenant specifically confirm that this Offer is executed under seal. It is agreed and understood, that the Landlord's acceptance is, subject to the Landlord's Conditions described in section 33, if any, irrevocable, including without limitation, during the period for the Tenant to either fulfill or waive the Tenant's Conditions.

33. LANDLORD'S CONDITIONS PRECEDENT: This Offer and its acceptance is subject to the condition(s) precedent set out in Schedule 13.1 all of which are for the sole benefit of the Landlord (the "Landlord's Conditions"). The Landlord's Conditions shall be removed or waived by notice in writing from the Landlord to the Tenant on or before the times specified in Schedule 13.1 or the agreement resulting from the acceptance of this Offer shall become null and void and of no force or effect and the deposit shall be returned to the Tenant. The Landlord and Tenant specifically confirm that this Offer is executed under seal. It is agreed and understood, that this Offer is, subject to the Tenant's Conditions described in section 32, if any, irrevocable, including without limitation, during the period for the Landlord to either fulfill or waive the Landlord's Conditions.

34. DEPOSIT: Within the time specified in section 14.1 of this Offer by the Landlord, the Tenant shall deliver a cheque in the amount specified in section 14.2, payable to the party specified in section 14.3, in trust, as a deposit to be applied in the manner specified in section 14.4. The balance of the deposit, if any, shall be held as a security deposit against payment and proper performance by the Tenant of the Tenant's obligations under the Lease, including payment of rent. If the Tenant defaults in carrying out any of its obligations hereunder, the Landlord, at its option, may retain the deposit as liquidated damages and not as a penalty without limiting the Landlord's other remedies at law or in equity. If this Offer becomes null and void, the deposit shall be refunded to the Tenant without deduction. Upon the date set for occupancy or upon execution of the Lease, whichever occurs first, the rent is then due and payable and may be deducted from the deposit with any remaining balance to be paid forthwith. This deposit shall not bear interest.

The deposit is to be held in trust by the party specified, as a stakeholder pursuant to the provisions of the *Real Estate Services Act* and not on behalf of the principals to the transaction until the time specified below. The Landlord and Tenant hereby instruct the party holding the deposit, to release the deposit upon the earlier of:

- (a) the date on which the Lease is submitted to the Land Title Office for registration;
- (b) the date the Tenant has the right to take possession of the Premises; and
- (c) the date the Tenant lawfully occupies the Premises.

35. INTERPRETATION: Time shall be of the essence in all matters to be performed by each party to this Offer. This Offer, if accepted, shall constitute a binding agreement between the parties to enter into the Lease and to abide by the terms and conditions contained herein. If there are two or more Tenants hereunder, the liability of such Tenants shall be joint and several. There are no representations, warranties, guarantees, promises or agreements other than those set out herein, all of which shall survive the signing of the Lease. Whenever the context so requires, the neuter gender shall include masculine and feminine, and the singular number shall include the plural and vice versa. This Offer shall be governed by the laws of the Province of British Columbia. This Offer shall enure to the benefit of, and be binding upon, the successors and permitted assigns of the Parties. If there is a contradiction between the provisions of this Offer and the terms and conditions of the Lease, the Offer shall prevail.

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36. AGENCY DISCLOSURE: The Landlord and Tenant acknowledge and confirm as follows (initial appropriate box(es) and complete details as applicable):

INITIALS		

A. The Landlord acknowledges having received, read and understood the BC Financial Services Authority (BCFSA) form entitled "*Disclosure of Representation in Trading Services*" and hereby confirms that the Landlord has an agency relationship with the Designated Agent(s)/ Licensee(s) specified in Section 15.1 who is/are licensed in relation to the brokerage specified in Section 15.1

INITIALS		

B. The Tenant acknowledges having received, read and understood the BCFSA form entitled "*Disclosure of Representation in Trading Services*" and hereby confirms that the Tenant has an agency relationship with the Designated Agent(s)/Licensee(s) specified in Section 15.2 who is/ are licensed in relation to the brokerage specified in Section 15.2.

INITIALS		

C. The Landlord and the Tenant each acknowledge having received, read and understood the BCFSA form entitled "*Disclosure of Risks Associated with Dual Agency*" and hereby confirm that they each consent to a dual agency relationship with the Designated Agent(s)/ Licensee(s) specified in Section 15.3 who is/are licensed in relation to the brokerage specified in Section 15.3, having signed a dual agency agreement with such Designated Agent(s)/Licensee(s) dated the date set out in Section 15.4.

INITIALS		

D. If only (A) has been completed, the Tenant acknowledges having received, read and understood the BCFSA form "*Disclosure of Risks to Unrepresented Parties*" from the Landlord's Designated Agent(s)/Licensee(s) listed in (A) and hereby confirms that the Tenant has no agency relationship.

INITIALS		

E. If only (B) has been completed, the Landlord acknowledges having received, read and understood the BCFSA form "*Disclosure of Risks to Unrepresented Parties*" from the Tenant's Designated Agent(s)/Licensee(s) listed in (B) and hereby confirms that the Landlord has no agency relationship.

37. COLLECTION, USE AND DISCLOSURE OF PERSONAL INFORMATION: The Landlord and the Tenant hereby consent to the collection, use and disclosure by the Brokerages and Licensees described in section 15, the real estate boards of which those Brokerages and Licensees are members and, if the Premises are listed on a Multiple Listing Service®, the real estate board that operates that Multiple Listing Service®, of personal information about the Landlord and the Tenant:

- A. for all purposes consistent with the transaction contemplated herein;
- B. if the property is listed on a Multiple Listing Service®, for the purpose of the compilation, retention and publication by the real estate board that operates the Multiple Listing Service® and other real estate boards of any statistics including historical Multiple Listing Service® data for use by persons authorized to use the Multiple Listing Service® of that real estate board and other real estate boards;
- C. for enforcing codes of professional conduct and ethics for members of real estate boards; and
- D. for the purposes (and to the recipients) described British Columbia Real Estate Association's Privacy Notice and Consent form.

The personal information provided by the Landlord and the Tenant may be stored on databases outside Canada, in which case it would be subject to the laws of the jurisdiction in which it is located.

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38. INFORMATION SUMMARY: The Information Summary being Part 1 to this Offer, and the Schedules attached to this Offer, form an integral part of this Offer. The Landlord and Tenant acknowledge that they have read all of Part 1 and Part 2 and the Schedules to this Offer.

39. ADDITIONAL TERMS: The additional terms set out in Schedule 39 are hereby incorporated into and form part of this Offer.

40. OFFER: This offer, or counter-offer, will be open for acceptance until the time and date specified in section 16.1 (unless withdrawn in writing with notification to the other party of such revocation prior to notification of its acceptance), and upon acceptance of the offer, or counter-offer, by accepting in writing and notifying the other party of such acceptance, there will be a binding Offer to Lease on the terms and conditions set forth.

_____ SEAL	_____ SEAL	_____ SEAL
TENANT	TENANT	COVENANTOR
_____	_____	_____
PRINT NAME	PRINT NAME	PRINT NAME
_____	_____	_____
WITNESS	WITNESS	WITNESS

41. ACCEPTANCE: The Landlord (a) hereby accepts the above offer and agrees to complete the lease upon the terms and conditions set out above, (b) agrees to pay a commission as per the Authority to Lease. Neither the preparation by the Landlord of this or any form of offer nor any negotiations entered into by the Landlord in connection with its submission shall constitute or imply any commitment unless the above offer has been accepted in writing by the Landlord.

Landlord's acceptance is dated _____, yr. _____

The Landlord declares their residency:

RESIDENT OF CANADA INITIALS NON-RESIDENT OF CANADA INITIALS as defined under the *Income Tax Act*.

_____ SEAL	_____ SEAL	_____ SEAL
LANDLORD	LANDLORD	LANDLORD
_____	_____	_____
PRINT NAME	PRINT NAME	PRINT NAME
_____	_____	_____
WITNESS	WITNESS	WITNESS

*PREC represents Personal Real Estate Corporation
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SCENE THREE DEBRIEF QUESTIONS:

1. When preparing the Offer to Lease, Linda writes “Barnie’s Bake Shop” for the permitted use of the property. Is this correct? Why or why not?

- Why wouldn’t the lease be in Barnie’s personal name?

2. How would you change drafting the offer if the base rent and operating costs were included as a total in the price per square foot?

- Discuss the extension provisions of the Offer to Lease.



600-750 West Pender Street
Vancouver, BC V6C 2T8