

**SUMMARY OF AGREEMENT OF
PURCHASE AND SALE
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This summary is intended to provide the reader with some basic information regarding the agreement of Purchase and Sale. Any questions may be forwarded to David McLean at 613-722-8381 or dmclean@mobilelawyer.ca - www.mobilelawyer.ca

1. Parties – It is important to get the parties to the agreement correct. A buyer listed on the agreement may become liable for the buyer's breach of contract. Watch for Buyers who to be named as "in trust" or as a corporation. Be clear and concise.
2. Rental Items – Rental items to be assumed by purchaser should be listed here, such as the hot water tank.
3. Irrevocability - Time during which agreement may be accepted.
4. Completion Date - In other words, the closing date. Try and use dates other than those at the end of the month as this is the busiest time. Most transaction close between 1 and 3pm. To be safe, tell your clients that the keys will be ready later in the day after 3pm. (Under promise – Over deliver). Have clients schedule delivery trucks for later in the afternoon to avoid paying excess fees.
5. GST – Either included in the purchase price or in addition to purchase price. In most home re-sales it is NOT applicable. However, watch out for vacant land and the GST.
6. Title Search – If left blank, the lawyer will have 30 days. Make sure to have this date later than the conditional dates. General Rule: 15-20 days is sufficient for a title search.
7. Title: The purchaser must take the property subject to easements, rights of way, subdivision agreements, municipal agreements, restrictions or covenants that run with the land; provided they do not severely affect the real property. If the property has work orders issued on it prior to acceptance and refuses to comply with them, then the purchaser may terminate.

8. Surveys, Etc. – The Vendor must give whatever documents they have in their possession on acceptance to the purchaser. But, the vendor is not responsible for providing a building location survey – that is the responsibility of the purchaser, if required.
9. Risk – The vendor maintains the risk for property until closing. That means keeping adequate property insurance. In the event of destruction, the purchaser may either accept insurance proceeds and close or terminate the agreement.
10. Residency – The vendor warrants that they are a residence of Canada. If not, the purchaser may be responsible for the tax under the Income Tax Act.
11. Adjustments – Please inform clients that the purchase price will be adjusted for on closing to include electricity, rentals, mortgage interest, property taxes, common expenses, gas, water rates, etc. This will change the closing price!
12. Tender – If a party is not prepared to close, the other lawyer may tender their documents as evidence that they are prepared to close the transaction. (eg. Ready and willing)
13. UFFI – Vendor warrants that the property is not insulated with Urea Formaldehyde Foam Insulation and to their knowledge the property is not insulated with UFFI.
14. Agency – All brokers are working for the vendor and not the purchaser.
15. Successors – Agreement is binding upon heirs, executors, administrators and successors. Simply, if either the vendor or purchaser dies, the heirs are still obligated to complete the transaction.

**ANY OTHER QUESTIONS?? DO NOT HESITATE TO CONTACT
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