

Real Estate Purchase **Single Family Home** **(Practice Tool)**

What follows describes the work that we will do for you, some things that we will not do, and steps that you should take.

Agreement of Purchase and Sale

We will review the Agreement of Purchase and Sale with respect to wording and content and to determine the steps required to look after your legal interests. Please contact us immediately to discuss anything that is important to you which is not specifically addressed in the Agreement. For example, the precise location of boundaries or the exact size of a lot may be of sufficient importance that the Agreement should have a survey condition added. If anything has been overlooked in the Agreement, a request to amend it should be made without delay.

The Agreement sets out the terms of the purchase and, therefore, it is very important that you inform us immediately of any plans to change any part of it.

Verbal amendments to the Agreement may not be binding. Changes should always be in writing to ensure that you can compel the Seller to complete the transaction or pay for any loss that you incur.

The Agreement requires that you complete all investigations, and confirm financing and insurance prior to certain condition dates. Please ensure that you are working closely with your real estate agent to address these matters. If you miss the deadline, the Seller may attempt to force you to buy a property which you later determine is unsuitable or for which your mortgage company will not provide funds, or you may be sued for losses suffered by the Seller.

Mortgage

It is customary for us to act for your mortgage company to protect its interests in the transaction. However, we need your consent to do so.

Representing your mortgage company affects our lawyer/client relationship with you as follows:

1. The usual lawyer/client privileges will not apply to this matter. No information that we receive from you or the mortgage company related to this matter can be treated as confidential as between you and the mortgage company.
2. Should any contentious legal issue arise between you and your mortgage company that cannot be resolved, we will be obliged to withdraw from the matter and both you and

the mortgage company will be advised to seek independent legal counsel outside of our firm.

We will ask you to sign a letter consenting to us representing you on these conditions. However, while most clients choose to have us proceed under these conditions, it is your choice to have your own legal representation and you may require your mortgage company to retain a different lawyer. You will be responsible for the cost of your mortgage company's lawyer.

The comments which follow assume that we will represent your mortgage company. If you do not want us to do so, please inform us immediately so that you do not incur unnecessary expense.

Please inform your mortgage company as soon as possible that we represent you in this matter. The mortgage company will then send its instructions to us. We will prepare the mortgage documents and arrange to have you attend at our office to review and sign them.

[OPTIONAL: Other than the mortgage, if your mortgage company provides documents to us to be signed by you, such as a loan agreement or insurance application/waiver, we will provide them to you for completion. However, we do not provide advice about these documents and you may wish to speak with your mortgage company prior to completion. We do not review the documents, other than to confirm that they are dated and signed.]

A location certificate or plan of survey is necessary if you want to ensure that all buildings and structures are located within the boundaries of the property. This is significant to the mortgage company, of course. We address location certificates and survey plans more fully below. The Agreement of Purchase and Sale may require the Seller to provide all location certificates and plans in the Seller's possession or control. If a location certificate exists, and no additions have been made to the buildings since the location certificate was prepared, it may satisfy the requirements of the mortgage company. We will discuss this with you after we have examined any certificate. The mortgage company may accept title insurance as an alternative to obtaining a location certificate; we also address title insurance below.

If your mortgage company is paying the property taxes, please be aware that the tax component of your mortgage payment may increase upon notice from the mortgage company. This will occur if the amount of money held by the mortgage company for the payment of taxes (in your "tax account") is insufficient to pay the taxes as they become due, or it is anticipated that the amount will be insufficient in the future (perhaps because of an increase in the assessed value of your property or the tax rate set by the municipal unit). If the date on which your purchase is to occur is close to the date upon which a tax instalment is due to the municipal unit, you will likely have to pay that entire tax instalment, too.

Your mortgage company may ask us to provide a copy of a void cheque or preauthorized payment form for the account from which you will make mortgage payments, even if you have

already provided a copy to the company or its broker. Please bring a cheque or preauthorized payment form (stamped by your bank) with you when we meet to sign the documents.

Identification

We need copies of two pieces of your identification for our file, at least one of which must be your driver's license or passport. If you do not possess either of these pieces of identification, please contact us to determine what other types of photographic identification will be accepted. The requirements for a second piece of identification can vary from one mortgage company to the next, but major credit cards are usually acceptable. A Nova Scotia Health Card is not acceptable identification. Please check with us to confirm what identification is acceptable and bring your original identification to our meeting.

Sometimes identification reflects a nickname instead of a legal name. Please ensure that your name on the identification is **exactly** the same as the name that you provided to your mortgage company, if applicable, and the name that you want to appear on the deed to you. A difference in the names can delay closing the purchase. If there is a difference, please contact us immediately to discuss it.

Use of Property/Zoning/Restrictive Covenants

Land use (zoning) by-laws may restrict your use of the property. **OPTION 1.** You have informed us that you intend to use the property for a single-family dwelling. If there are other uses that you may want to make of the property, please tell us immediately. **OPTION 1A.** We will confirm with the municipal unit that your intended use is permitted, unless title insurance is purchased. **OPTION 1B.** We will confirm that the use that you intend to make of the property is permitted. **OPTION 2.** We do **not** confirm with the municipal unit that the use that you intend to make of the property is permitted, nor do we review the Land Use Bylaw to determine this ourselves, unless you specifically request that we do so. We will be pleased to obtain confirmation at an additional cost to you.

Confirmation that your intended use is permitted is not the same as confirming that the existing use is legal and has a permit to exist. This difference is important and the latter may not be easily confirmed, depending on the records available from the municipal unit. We do **not** specifically check the legality of the existing use as part of a standard transaction. However, we will perform this investigation at additional cost to you if specifically requested by you or your mortgage company.

Restrictive covenants may also affect the use of the property. We will forward any covenants to you for your review. We do not check to ensure that the property complies with the covenants. You should take whatever steps are necessary to ensure compliance. If there is anything that does not comply, you may be sued by neighbours or the subdivision developer and forced to comply, and you should discuss it with us without delay. You should also ensure that your intended use is permitted by the covenants; if it is not permitted, please contact us immediately. If your decision

to purchase this property is based on the particular covenants, we recommend that you to speak to us about whether the developer may be able to change the covenants without your permission.

Real Property Taxes

Real property taxes are billed according to the policies of the municipal unit. Usually, taxes are billed twice annually: once in the spring and once in the fall. The spring bill may be sent before the tax rate is set, so the fall bill is often larger.

It is important to note that if you are purchasing from a Nova Scotia resident, the current property assessment is likely 'capped'. This capped valuation could be substantially lower than your assessment next year since the cap will be removed following the sale to you (unless you are a member of the seller's family). The amount of this increase will depend on the property and when it last changed hands. You should check the current 'uncapped' assessment which will form the basis (with an adjustment for changes in property values and any improvements to the property) of your assessment next year. It is important to note this difference, so you can prepare for any significant tax increase.

We will confirm with the municipal unit that property taxes and the cost of municipal improvements (e.g. betterment charges and capital charges for utility or municipal services) completed and billed as of the date of your Agreement of Purchase and Sale are paid up until the closing date. If they are not paid, they may form a statutory lien against the property and must be addressed prior to completing the purchase. The taxes are paid in advance; therefore, there will likely be a credit to the Seller when adjusting the final purchase price. Municipal improvements that are complete but not yet billed by the municipal unit will be your responsibility when billed. We will either obtain a tax certificate from the municipal unit or purchase title insurance for your benefit; in either situation, you are protected from outstanding taxes and improvement charges.

The change in ownership will be updated by Property Valuation Services Corporation which addresses real estate assessments for municipal units. However, if the closing date is close to a property tax invoice date, the invoice may be sent by the municipal unit to the Seller. The Seller usually forwards the invoice to you. You are responsible for paying the property taxes whether or not you receive an invoice; therefore, if you do not receive an invoice, you must contact the tax office for the municipal unit. Interest will accrue on unpaid taxes even if you do not receive the tax bill.

You may want to inquire of the municipal unit whether there are any pending paving, sewer or sidewalk projects in your new community (not just your new neighbourhood). These community enhancements may result in unexpected expenses for you. We do **not** make these inquiries for you.

If some portion of the property is assessed as “resource (forest)”, “resource (farm)”, or “non-profit”, and you plan to change that use, change in use tax will apply. If this applies to you, we welcome your inquiry about how this may affect you.

Condition of Property

You are responsible for inspecting the property. By signing the Agreement of Purchase and Sale, you accepted the physical condition of the property as it was on that date unless the Agreement states otherwise. The typical Agreement allows for inspections. We recommend that you have a qualified home inspector examine the property to determine whether there are any flaws of which you should be aware. We recommend that you make sure that everything works, including the furnace, plumbing (try the taps and flush the toilets) and septic or sewer system.

If the property has an onsite septic system, you should ensure that the tank has been pumped regularly and the field is operating properly. We recommend that you have it inspected by an experienced installer or inspector. If you do not have experience with a septic system, you should review the “Homeowner’s Guide to Septic Systems” published on Nova Scotia Environment’s website (or ask us for a copy):

<https://www.novascotia.ca/nse/wastewater/docs/Homeowners.Guide.to.Septic.Systems.pdf>.

If the property is served by a municipal or community sewer collection system, you may want to have the sewer lateral from the street to the house inspected by a plumber. An older lateral, in particular, may suffer from problems.

There are different tests which can be conducted on well water to identify bacteria and minerals. If the property has a well, you should consider whether to test for potential contaminants beyond what your mortgage company will require. Your mortgage company may want us to provide a copy of your water test, so please keep a copy available for us.

The volume of water can vary considerably from one well to the next. A well certificate or other information may be available to you showing the volume at the time the well was constructed. (See: <https://www.novascotia.ca/nse/groundwater/welldatabase.asp>.) You should consider obtaining a flow test to confirm that the current flow will satisfy your requirements. If you will place greater demands on the well than the Seller, you should pay attention to the volume of water produced by the well.

It is imperative that inspections of the property occur prior to the deadline set out in the Agreement.

As a rule, anything that is permanently attached to the land or the buildings is a “fixture”. Therefore, things that are nailed or screwed into walls are fixtures. Fixtures are included in the purchase, unless specifically excluded. Many Agreements of Purchase and Sale call for other items to be included in the purchase, as well. If this is the case with your Agreement, these

items must remain. Some of the more common problems involve curtains, range hoods, mirrors, light bulbs, and light fixtures. All of these except curtains are fixtures and must remain, subject to anything to the contrary in the Agreement. The Agreement will often include “curtains”. Please ensure that your real estate agent and the Seller are clear if “curtains” include shower curtains, drapes (long) and curtains (short). You should ensure that all fixtures and other items included in the purchase are still present at the property when you conduct your pre-closing inspection.

If any items are to be included in the purchase which are not fixtures, they must be listed in the Agreement. We do not confirm ownership of these items; indeed, we cannot do so, since there is no central registry of such ownership. However, there may be liens against some or all the items. We do **not** search the Personal Property Registry for liens unless you specifically request that we do so. If there are liens which attach to any of the items, the secured creditor may take the item unless you pay the associated debt.

Please pay attention to the Property Disclosure Statement (PDS) completed by the Seller. In particular, we encourage you to make inquiries of the Seller about the reasons for any repairs. The explanation should be written in the Statement for future reference. If applicable, you should consult with your insurance broker and furnace oil supplier about whether the furnace oil tank needs to be replaced. You should also ensure that the electrical system amperage is satisfactory. If any part of the PDS is incomplete, we recommend that you arrange with your real estate agent to have it completed.

We do **not** check for the existence of building (including occupancy) permits, development permits, road access permits, septic permits or well certificates for existing buildings. If these are of concern to you, you must contact the appropriate government department to make further inquiry. We would be pleased to assist with these inquiries, if you would like for us to do so.

Environmental Issues

As the owner of this property, you can be held responsible for any damage caused to neighbouring properties as the result of environmental contamination **as well as** the entire cost of clean-up of all contaminated sites. We do **not** make any inquiries about potential environmental contamination.

You may wish to search the Environmental Registry for anything of concern (or have us conduct the search), especially if you have any reason to suspect that the property (or a neighbouring property) was used in a manner that may have resulted in contamination (e.g. as a gas station). It can take some time to get a response from the Department, so we recommend that you make any inquiries immediately. Additional information about searching the Environmental Registry can be found at this website: <https://novascotia.ca/nse/dept/envregistry.asp>.

You may also wish to have an environmental assessment of the property to minimize the risk of the presence of contamination. There are various levels of assessment that can be performed. The cost is dependent upon the exhaustiveness of the assessment. If you are interested in additional information, please contact us.

Property Insurance

You must arrange property insurance to protect your interest in the building(s) and contents effective on the closing date. Make it effective now if you want to be protected before closing.

If you will have a mortgage, please ask your insurance broker to add your mortgage company to the policy effective on the closing date. Please also ask your broker to send us a Certificate of Insurance or Insurance Binder stating the following:

1. name of insured;
2. name of insurer;
3. type of policy, which must be "All Risks or Broad Form" or "Comprehensive" coverage on the house;
4. description of insured property;
5. policy number;
6. policy term;
7. limit of coverage, which should not be less than the amount of your mortgage unless it is guaranteed replacement cost coverage;
8. house insured on a full replacement cost basis;
9. amount of deductible;
10. insurance broker's name and address; and
11. standard mortgage clause (approved by the Insurance Bureau of Canada) in favour of your mortgage company for all realty, stating the company's name and address.

While most mortgage companies require you to have replacement cost insurance coverage, there may be exceptions even if our instructions require us to confirm that such coverage is in place. If you do not have replacement cost coverage, and do not want to obtain it, please discuss this with your mortgage company; the company may have to revise its instructions to us if it does not require replacement cost coverage.

Please provide to us the name, email address, fax and telephone numbers for your insurance broker so that we can follow-up with the broker, if necessary. Confirmation that the requisite coverage is in place must be received by us before we can release mortgage funds.

If the property will be vacant for some period before you move in, or you will only occupy it part of the year, you must tell your insurance broker. This affects the risk assumed by the insurance company and your failure to inform it of this risk may result in a lack of coverage.

Leases of Chattels

If the furnace, water heater, security system, propane tank, etc., are leased, the Seller is responsible for providing copies of the leases to you. If any leases are provided to us, we will forward them to you. We do **not** review these leases or advise you about them unless you specifically ask us to do so. We will forward this information to you if we receive it. You must arrange to have any leases transferred to your name prior to closing; we do **not** attend to this. We will need written confirmation from the leasing company of the transfer before we can complete your purchase.

Community Mailbox

If the property is serviced by a community mailbox, the Seller may leave the key in the house or provide it to us. We recommend that you discuss this with your real estate agent, since it is not addressed in the standard form Agreement. If the key is not provided by the Seller, you must file a form with Canada Post which will change the lock and then provide a key to the box to you. Please attend at your local post office or refer to the following website to fill out the form: https://www.canadapost.ca/cpo/mc/app/cmb/existing_state.jsf?LOCALE=en

Utilities, Telecommunications, and Fuel Suppliers

It is your responsibility to contact all utilities, telecommunication companies, and fuel suppliers to establish accounts in your name. We do **not** attend to this.

Fuel Adjustment

The Seller will fill the furnace oil tank (if applicable) on or just before the closing date, and a fuel top-off slip from the fuel oil supplier will be provided to us by the Seller. You are responsible for paying for the full tank of oil. This will be taken into consideration when calculating adjustments to the purchase price. Please be sure to check the oil tank during your pre-closing inspection to ensure that it is full. We do **not** check the oil tank ourselves and rely on your inspection and the Seller's assurance that the tank is full. Please note that a "full" tank is typically about 7/8ths full. Please inform us of the size of the fuel oil tank at your earliest opportunity.

If there is a propane storage tank, please inform us. There will be an adjustment to the purchase price to account for the contents of this, too.

Ownership

We must inform the Seller's lawyer how you wish to own the property, so that this can be reflected in the deed to you.

Sole ownership is often used by business and professional persons to protect their homes against liability claims or business-related debts. The family home is registered only in the name of the spouse who is not associated with the business. This does not mean that the spouse who does not have a registered interest is left without *any* interest in the family home, however.

The **Matrimonial Property Act** restricts the registered owner's ability to mortgage or sell the "matrimonial home" without the consent of the non-owning spouse. A matrimonial home includes the dwelling and the land on which it rests.

The property may also be owned by one person as a **tenant-in-common** with another person. Upon the death of one of the owners, the deceased owner's interest in the property passes under his or her will to their designated beneficiary. A tenancy-in-common may not be an appropriate estate-planning tool, however, because the interest in the property flows through the person's estate and increases the value of the estate with the resultant increase in probate and other costs.

The most common practice among spouses is to own the property as **joint tenants**. Unless a joint tenancy has been severed, if one joint owner dies, the entire title to the property automatically passes (subject to any mortgages or other liens) to the survivor and bypasses the deceased's estate in most cases.

We do not recommend that a minor person (anyone under the age of 19 years) be an owner of the property as this can result in a myriad of problems. If you think that you may wish to include a minor person as an owner, please ensure that you discuss it with us first.

We would be pleased to discuss this with you further. Otherwise, please inform us of the **full** legal name(s) and civic addresses of the individual(s) who will own the property and, if there is more than one owner, whether they will be tenants-in-common or joint tenants and your relationship to each other. The legal names must match the identification that you provide to us.

If you are married, or have a registered domestic partnership, and that person will not be an owner of the property, please provide their full legal name to us at your earliest opportunity.

If you are a non-resident of Canada for income tax purposes, please inform us [**OPTIONAL**: immediately].

Property Title

[**OPTIONAL**: Unless title insurance is purchased,] we will assure that the Seller has "marketable" title subject to any overriding interests provided for in the *Land Registration Act* and which do not appear in the title. This involves an analysis of the title as reflected in the Land Registry.

[**OPTIONAL**: (If title insurance is purchased, the insurance policy will replace our assurance of title.)]

The overriding interests which can affect title without notice to you are as follows:

- (a) an interest of Her Majesty in right of the Province that was reserved in or excepted from the original grant of the fee simple absolute from Her Majesty, or that has been vested in Her Majesty pursuant to an enactment;
- (b) a lien in favour of a municipality pursuant to an enactment;
- (c) a leasehold for a term of three years or less if there is actual possession under the lease that could be discovered through reasonable investigation;
- (d) a utility interest;
- (e) an easement or right of way that is being used and enjoyed;
- (f) any right granted by or pursuant to an enactment of Canada or the Province (except for a designation under the Beaches Act)
 - (i) to enter, cross or do things on land for the purpose expressed in the enactment,
 - (ii) to recover municipal taxes, duties, charges, rates or assessments by proceedings in respect of land,
 - (iii) to control, regulate or restrict the use of land, or
 - (iv) to control, regulate or restrict the subdivision of land;
- (g) a lien for assessments pursuant to the Workers' Compensation Act; and
- (h) an interest created by or pursuant to a statute that expressly refers to this Act and expressly provides that the interest is enforceable with priority other than as provided in this Act.

Marketable title is also subject to any rights of indigenous peoples in the property.

Please contact us if you want to discuss any of these limitations to title.

If you are aware of any use of any part of the property by anyone other than the Seller, please inform us immediately as this may suggest the existence of an interest which should be examined more closely.

If the title to the property is registered in the Land Registration system, we will alert you to any rights-of-ways disclosed in the parcel register for the property which may benefit or burden the property. If the title is not registered in the Land Registration system, we will only inform you of any rights-of-ways which are disclosed as a result of our title search. We will also ensure that the seller satisfactorily addresses any title deficiencies known to us, as well as any existing mortgages, liens and judgments which attach to the property.

If there are restrictive covenants applicable to the property, we do **not** examine whether they are actually enforceable.

Survey

Any examination by us of marketable title is also subject to interests that a survey might reveal. This is important because our examination:

- (a) Does **not** reveal the location or boundaries of the property, which may be altered from the description by customary use, particularly with older properties.
- (b) Does **not** guarantee the size of the property that you are purchasing. Property sizes stated in deed descriptions are often very inaccurate. We recommend that you not rely on any statement of acreage in a deed unless it is supported by a recent survey.
- (c) Does **not** reveal whether the buildings that you are purchasing are located within the physical boundaries of the property.
- (d) Does **not** reveal if neighbouring buildings or other features encroach on the property or if structures or other features on the property encroach on neighbouring lands.
- (e) Does **not** reveal unregistered rights-of-way established by long use.
- (f) Does **not** reveal “squatter’s rights” which may exist because of someone using all or part of the property as his or her own over a long period of time.
- (g) Does **not** reveal whether right-of-way access to the property is in the correct location.

These matters can only be detected by obtaining current survey information from a Nova Scotia licensed surveyor.

We recommend that, if you are buying a property which has not been surveyed, you obtain a full boundary survey that will locate the boundaries and buildings accurately.

If you are purchasing a surveyed property, you should consider obtaining a current surveyor’s location certificate which will certify that all buildings on the property are within the boundaries. It should also disclose any apparent encroachments or easements on the property. We caution you that a location certificate does not determine the boundaries.

We recommend that any current boundary survey or location certificate clearly certifies the physical location of the boundaries (for a survey), structures, driveways, fences, easements, and other features of the property.

If access to the property is across a right-of-way, you should have a surveyor confirm that the roadway is located within the right-of-way. If it isn’t, you may be forced to move the roadway.

If you rely on a survey or location certificate that was prepared for someone else, you may not be able to recover any loss you might suffer if the surveyor made errors. If you rely on a survey or location certificate that is not current, you will not have adequate evidence of the current physical extent of the property. The types of problems that current surveys reveal are often costly and time consuming to correct, if they can be remedied at all.

Property Mapping

We enclose a copy of the Provincial property map for the property. Please inform us immediately if the graphics do not reflect your understanding of the approximate shape, size, and location of the property. You cannot rely on this map for this information about the property, however, because it may not be accurate and does not take the place of a survey plan.

Title Insurance [NOTE: May want to use Title Insurance Letter also available as a Practice Tool]

A title insurance policy insures against loss or damage resulting from various risks associated with title to property as well as off-title risks. Generally, the risks covered by title insurance policies include loss resulting from:

- a defect in the title to the property
- a lien or encumbrance against the title
- problems with your ability to use the land
- survey defects
- noncompliance with zoning
- outstanding property taxes or other charges
- lack of access
- the gap in time between closing and registration of your deed
- title fraud
- overriding interests
- legal expenses associated with you defending an adverse claim

There generally is not coverage for issues of which you are aware prior to closing.

This coverage is broader than that provided by a lawyer's assurance of title. It is also less costly than obtaining up-to-date survey information (which may otherwise be required by your mortgage company), and may be less expensive than obtaining property tax and zoning certificates from a municipal unit. It may also allow for transactions to occur more quickly.

Title insurance provides procedural advantages relative to compensation pursuant to the Land Registry system. It is generally faster and easier for you to obtain compensation from the title insurer than from the government or a lawyer's insurer.

Like any insurance policy, there are limitations and exclusions from coverage. Any claim is evaluated based on the particular circumstances. Sometimes money simply cannot resolve an issue to your satisfaction, whereas survey or other investigations may alert you to the problem prior to closing.

Title insurance coverage for you is voluntary. However, some mortgage companies require title insurance coverage for their interests and you will incur the cost of that policy. If this applies to you, we recommend that we obtain coverage for you, too.

If we purchase title insurance for your benefit, we will **not** take any of the following steps **unless you specifically ask us to do so**:

- (a) obtain a zoning certificate from the municipal unit confirming that your intended use is permitted;
- (b) obtain a tax certificate from the municipal unit (and village, if applicable) that real property taxes and the cost of municipal improvements have been paid; and
- (c) [**OPTIONAL**: assure the title to the property.]

Given the advantages of title insurance, you should consider having us purchase it for your benefit. The cost of title insurance can be offset by the savings that result from not making certain inquiries. **Having said this, the best protection for you is to have us purchase title insurance over and above our usual work, and for you to perform all due diligence inquiries available to you, including survey.**

Deed Transfer Tax

Most municipal units charge Deed Transfer Tax. This tax is a percentage of the purchase price and varies by municipal unit. This must be paid at the time of registering your ownership of the property. We will collect it from you and remit it when we record your deed.

Closing

We will complete the purchase on the closing date in the Agreement provided that all requirements have been satisfied and we have funds. However, if that date is not a business day, we anticipate that the transaction will be completed on the next business day following that date unless you and the Seller agree on another date. Any issue with the date should be clarified with your real estate agent.

We will handle the closing on your behalf to accept delivery of the deed, keys, and any other items from the Seller. If there is an alarm system or garage door opener, please inform us so that we are sure to request the code and remotes.

You should exercise your right pursuant to the Agreement to conduct a pre-closing inspection of the property to ensure that it is in the same state of repair as of the date of the Agreement. This is arranged through your real estate agent and occurs on the closing date, if possible. If you conduct the pre-closing inspection prior to the closing date, you run the risk of the premises being damaged after your inspection but prior to closing. If problems are located prior to closing, we may be able to have them addressed by the Seller. Once money has changed hands, however, it may be practically impossible to have the Seller correct any deficiencies.

We will prepare closing statements, including a statement of adjustments to the purchase price. We will review the statements with you prior to closing. Our fees, disbursements, and applicable HST, as well as any Deed Transfer Tax, are paid upon closing.

If you have a mortgage, your mortgage company will provide the mortgage funds directly to us. You will need to provide additional funds to us to close the purchase if the mortgage funds are insufficient. **Because these funds will be deposited into our trust account, we are limited to accepting funds by cash, [OPTIONAL: email, certified cheque, bank draft,] or wire transfer through the Canadian Large Value Transfer System.** Legislation combatting the use of proceeds of crime prevents us from accepting cash of more than \$7,499.99. **[OPTIONAL: We cannot accept certified cheques or bank drafts from non-Canadian financial institutions, so such funds must be sent by international wire transfer.]** If you send funds by wire transfer, please ensure that all fees are paid on your end, to ensure that fees are not deducted by our bank resulting in insufficient funds to complete the purchase. *[Practice Note: Recipient firm must provide its banking information together with an ABA number (American) or SWIFT Code (international) to enable the wire transfer. Also, watch for bank charges for receiving and/or confirming funds. You may want to consider adding a fee and/or disbursement for confirming receipt of funds.]* We will forward the funds needed to complete the transaction to the Seller's lawyer on the closing date.

The information used to prepare closing statements comes from third parties and we rely on those parties for the accuracy of the information. Occasionally, we find out later that the information was incorrect. Because of this, we will attempt to include in the statements an agreement between you and the Seller to **readjust** the closing figures if an error occurs, but it can be very difficult to collect after the transaction is complete.

We will ensure that the Seller provides a deed in the form required by the Agreement. We will prepare all documents required to record your deed and any mortgage in the Land Registry. We will record the deed and any mortgage in the Land Registry, and the original deed and a copy of the mortgage will be forwarded to you in due course.

You can pick up the keys and any other items from us on the closing date; please call us first to ensure that the Seller's lawyer has delivered them. Sometimes parties arrange for delivery of the keys through the real estate agents; if this is to occur, please inform us.

It is important to understand that we cannot control the time of day that the closing will occur. We must await the delivery of mortgage funds, the deed and keys. Typically, you will receive the keys by mid-afternoon on the day of closing, but it is best not to plan to move in on that day.

Fees

Fees for a purchase of a single-family home are established based upon a standard transaction. If problems arise (e.g. because of the examination of title or survey information), if your

transaction results in a subdivision of land, if there are rights-of-way involved, or if your mortgage company requests payouts or other services beyond a standard transaction, the additional work will increase costs. We are happy to discuss anticipated legal fees and disbursements with you.

As you can see from the description of our services, our work commences immediately upon being retained. If the purchase does not close for some reason, our fees will reflect the services performed to the date that our retainer ceases.

Contact

Please contact the following if you have any questions:

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