

AREA Purchase Contract Changes – July 18, 2017

Forms affected:

- Residential Purchase Contract
- Country Residential Purchase Contract
- Residential Resale Condominium Property Purchase Contract

Clause 4.9

Current clause:

- **4.9** A trustee acting under this section will not be liable to the seller or buyer for any loss arising from the disbursement of the deposits.

Change:

- **Delete clause 4.9.**

Why?

- It was suggested that clause 4.9 breached the *Real Estate Act* 25(11) which indicates a waiver or release of rights on trust account matters is void. While legal opinions on the clause differed, it was generally agreed that the clause ultimately has no practical effect because it cannot stop a party to the contract from pursuing legal action. Therefore, a decision to delete the clause was made.

How does this affect my practice?

- There is no effect on your practice.