

**EM3 – The Electronic Monday Morning Meeting**  
**Legal News and Information for Realtors and Mortgage Specialists**  
**Volume 2 - Friday, March 15, 2002**

Brought to you by:

**LECLAIR THIBEAULT**  
*Barristers and Solicitors*  
<http://www.calgaryl.com>  
Ph. 403 245 3500

=====  
**TABLE OF CONTENTS**  
=====

- \* Introduction and Announcements
  - The launch of our Realtor/Broker Newsletter
- \* Realtor/Broker Quick Helpers
  - Condos and Real Property Reports
  - Real Property Reports and Mortgage Funding
- \* Final Messages

=====  
**INTRODUCTION & ANNOUCEMENTS**  
=====

1. Launch of EM3

We have added a number of new people to our recipients list this week and are looking forward to providing you information that will help you avoid potential issues that could seriously affect your transactions.

As we noted last week, the intention of our newsletter is to provide you with quick helpers in plain language that you can use on a weekly basis. Once every six months we will send you an index of all of the newsletters that you can then use as a reference source.

2. Website Launch Imminent

We have been working on our new website for some time and we are coming down to the finishing touches. We expect the website to be functional some time this week and the official launch to be with the next two weeks. Feel free to check it out by this weekend at <http://www.calgaryl.com> (you will get an error message until later this week). We welcome your comments.

=====  
**REALTOR/BROKER QUICK HELPERS**  
=====

This week's hints deal with only a few of the issues relating to RPRs. Despite several years of having used them, there is still some confusion as to what is

needed and what potential problems can arise. These hints will help you understand what some of those concerns might be.

---

## 1. Condos and Real Property Reports

---

There is a misconception amongst agents that the fact that a property being sold or purchased is a condominium that there is no situation where a Real Property Report is needed. This is incorrect.

In the form of condominium structure called “bare land” condominiums your client actually has an interest in the land that the condominium sits on. Typically, this is more prevalent in townhouse situations but it isn’t limited to it.

The key for you to remember is that when you are acting for a purchaser of a condo, you should not agree to delete the clauses in an offer that relate to the Seller providing a Real Property Report. The only circumstances where you should agree to this are when you have obtained a copy of the condo plan and reviewed it yourself to confirm that it is not a bare land condo. This is the only way to tell for certain whether the condo is bare land or not.

Alternatively, you can simply ensure that the clauses relating to the RPR are not removed from the offer. This ensures that your clients’ rights are maintained and that they can obtain the RPR if one is, in fact, required.

---

## 2. Real Property Reports and Mortgage Funding

---

A recent issue relating to RPRs has come to light. In particular, there are now some financial institutions that require that they be in possession of the RPR with compliance prior to funding; no exceptions.

Though the institution is a smaller one, you should be careful to ensure that the Seller has dealt with the issue of the RPR well before closing. The current Offer in use clearly states that the Seller must provide the RPR at least 10 business days prior to the completion date. That is a full 2 weeks before the anticipated closing.

The issue of the RPR should be dealt with by the Listing Agent at the time of execution of the Listing Agreement. Given the current market with the number of potential lenders expanding, the RPR issue might result in unnecessary delays in closing that affect both the Seller and the Buyer.

=====

FINAL MESSAGES

It is likely that we will have our website launched during this week. Though it will be a continuing work of progress, we are looking forward to your comments. We will do the official launch sometime in the next week and will send you a notice through EM3.

=====

Have a Great Week Buying and Selling  
Same Time Next Week

Ron Thibeault and Bill LeClair  
Barristers & Solicitors  
Your Source for Information You and Your Clients Need

\*\*\*\*\*

DISCLAIMER

\*\*\*\*\*

The information provided is for general reference only. Prior to taking any actions, you should seek the advice of a lawyer to ensure that the steps you take to protect your client are sufficient.

\*\*\*\*\*