

# [INSERT LETTERHEAD]

[Date]

**VIA EMAIL**

**[Client Names & Contact Particulars]**

Dear Mr. & Mrs. [Client Name]:

**RE: Purchase of [Description of Mobile Home] situate at [Address], NS [“Mobile Home”]  
AAN [INSERT #]**

Thank you for retaining me in the purchase of your Mobile Home. Your confidence is important and I appreciate the opportunity to be of service. I want you to be fully informed of and comfortable with events as they develop, so please contact me or my assistant, (**Name**), with any questions you may have.

There are several pieces of information and documentation required in any real estate transaction, and I would like to take a moment to go through them with you:

**1. Description of the Mobile Home, the Mobile Home’s serial number and whether the Mobile Home is located on rented land.**

This information is typically found in your Agreement of Purchase and Sale. It is important that you (and your realtor) verify this information, in particular the serial number, so I can conduct appropriate searches for judgments and other interests in the Mobile Home. I will also need this information if you are dealing with a lending institution.

It is important for me to know whether or not the transaction is intended to include the land upon which the Mobile Home is located. If the Mobile Home is located on land which is to be included with the purchase, I will need to make additional enquiries to ensure that the land is properly included in your Agreement of Purchase and Sale for the Mobile Home. If the transaction includes land, this may also impact the cost of the transaction to you because I may need to record the mortgage in multiple systems. If the Mobile Home is on rented land (i.e. a trailer park), I will need the contact information for the landlord so I can verify that any rental dues are paid and, also, to obtain the landlord’s consent to the transfer.

**2. We need to know your full legal name and how you wish to take title to the property.**

For a Mobile Home transaction, it is very important that I have your full legal name, inclusive of middle names, commonly used names, and maiden names. It is also helpful if you provide me with your date of birth.

If you wish to take title in more than one name, there are two ways in which you can take title; as joint tenants or as tenants in common. "Joint Tenancy" means that if one of you should die while you still own the property, the survivor will automatically become the sole owner of the property. "Tenancy in common" means that the ownership interest of the first to die while still being an owner will go to his or her estate to be distributed according to the terms of his or her will or, under the intestacy laws of Nova Scotia.

**3. You should let me know if there is any known or apparent recent work on the Mobile Home.**

If any work has been completed on the property recently, a tradesperson can have certain rights (i.e. lien on property) which we will have to ensure have been dealt with by the vendors before closing.

**4. You will have to arrange insurance for the Mobile Home on or before closing**

You will have to arrange insurance for the Mobile Home. Generally, this will be in an amount equal to or greater than (if the value of the property warrants) the amount of the mortgage financing. It is important to make sure that your insurer is willing to issue a policy to you on or before closing. The loss should be payable first to your mortgage company and the policy should contain a standard mortgage clause.

We will contact you to obtain information concerning these arrangements once the transaction is near closing.

**5. You are responsible to open accounts with utilities and service providers on or before closing.**

You should also make arrangements directly with utilities and service providers (such as power, heat, water, tv/telephone/internet, etc.) to open an account in your name on the date of closing.

**6. You need to conduct any due diligence, inspections and testing of the Mobile Home that you require to satisfy yourself concerning the condition of the Mobile Home.**

We strongly recommend that you avail yourself of any and all opportunities to have the Mobile Home examined and inspected before your agreement to purchase the same becomes

unconditionally binding. At the very least, an inspection should be obtained. If the property is not connected to municipal water or septic, you should also strongly consider testing of the well and septic systems. If your transaction is financed, you may be required to conduct this testing to satisfy the lender.

You also need to be aware that a vendor(s) **is not obliged** to tell you about every problem they are aware of with their property. Generally, a vendor is only required to complete a Property Disclosure Statement (often called a “PDS”) to the best of their knowledge – that information is not a promise with respect to the actual condition of the property. There can also be a general obligation to disclose “latent defects” (i.e. not readily visible) that would be considered dangerous or which, if not disclosed, would be considered an intention to deceive or mislead a buyer. However, proving what a vendor knew or did not know is difficult after the fact, so undertaking a reasonable inspection is your best form of protection. Therefore, we recommend that you ask any questions that you have about the home to the vendor(s) and undertake any and all searches to verify the property’s condition.

## 7. Client Identification

When we meet (and before we process any trust funds), I will need to verify your identity, even if I have acted for you in the past. This is a requirement under the *Legal Profession Act* in addition to bank requirements.

While these vary from bank to bank, in general terms I will need at least two pieces per person of official (usually governmental) ID as well as confirmation of your full names, (current) addresses, dates of birth, phone numbers (home and work) and occupations. Most people find it convenient to bring in one of each of the following: (1) driver's license and/or passport and (2) signed bank card or credit card with your name on it, etc.

If you lack this type documentation, please let me know as soon as possible in order to effect appropriate arrangements. For example, other secondary IDs which may be accepted by relevant institutions are citizenship cards, firearms licenses, and employee photo IDs. I may ask for SIN numbers only as a very last resort.

## 8. Adjustments

Finally, I want to spend a moment discussing adjustments. These are additions to and subtractions from the purchase price, which are generally calculated as of the date of closing.

Generally, the amount of money that will be required on the closing date (“Amount To Close”) will not be as it is shown on the Agreement of Purchase and Sale. It will be an amount greater or lesser than that. The Amount To Close will be known prior to closing, once confirmed between the lawyers for each side. Standard adjustments to the purchase price can include:

- a) **Taxes:** The vendor is responsible to pay property taxes up to the date of closing and adjustments are made on this basis. After closing, subject to any arrangements with your

lender, you will be responsible for future tax bills. In all counties, the taxation year runs April 1 to March 31, and, in most, you may receive as many as two bills sent per year. We will review this in detail when we meet. Note that this adjustment is between vendor(s) and purchaser, and is not the same as the tax component in any mortgage payment.

It is important to note that if you are purchasing from a Nova Scotian resident individual, the current dollar amount of taxes are likely "capped," based on a value that could be substantially lower than your assessment next year ("caps" are generally lifted on arm's length transfers). The amount (if any) of this spread will depend on the property, the identity of the vendor, and when it last changed hands. We will advise you of the current "uncapped" assessment which will form the basis (with an adjustment for inflation 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, either by increasing the tax component of any mortgage payment, or by being aware that there may well be a shortfall in that account when the higher tax bill comes out next year. We would also note that, if there is a change in the use of property (i.e. residential to commercial or forestry, etc.) the amount and type of property taxes could be subject to change on subsequent tax bills.

- b) **Fuel:** The Agreement of Purchase and Sale requires adjustments for fuel at closing. This generally only applies if the property is heated by oil or propane; however, it is possible to adjust for other fuels like wood. Because partially filled tanks are difficult to gauge, the standard practice is to have the tank full at the date of closing, with a top up slip provided to us; the cost of a full tank of fuel is then added to the purchase price.
- c) **Equipment Rentals\Leases and Lot Rental Fees:** The Agreement of Purchase and Sale requires adjustments for equipment rentals\leases, and lot rental fees, as context requires. The fees should be paid and up-to-date on the day of closing. If the payment due date falls near or on the date of closing, it is possible that the parties may agree for the purchaser to make this payment themselves. The vendor may require proof on closing that you have assumed responsibility for the equipment contract or lot rental.
- d) **HST:** As used housing, the property itself will generally not attract HST. HST can, however, be charged on goods and services related to the purchase of the property, such as legal fees and survey costs.
- e) **Deposit:** The deposit will be deducted from the amount due at closing.

In addition to the adjustments between the parties, you need to be aware that there are certain out-of-pocket costs\expenses you will be solely responsible for as the purchaser:

- a) **Cost of property inspection, water testing, etc.:** You ought to be aware that you are personally responsible for arranging and paying for your own inspection of the property and conducting your own testing. Under no circumstances do we recommend relying on inspection reports or testing prepared for the benefit of other parties unless the

third party service provider is willing to provide you with a letter permitting you to legally rely on their documents and opinions.

- b) **Deed Transfer Tax:** If you are buying land, you are responsible for paying the transfer tax payable on the purchase price for your property. The rate of tax varies between municipalities and is calculated based on the total purchase price.
- c) **Legal Account:** Our legal fees and disbursements will be paid from the funds you bring in to close the transaction. For a Mobile Home transaction, there can be varying recording costs depending on whether the land is owned and/or the instructions of your lender.

## 9. Closing Amount

As you may or may not be aware, on a purchase transaction, your lender is generally not allowed to finance the entire purchase price. This means that the amount we will receive from your lender will generally not be enough to pay the full purchase price. Also, as noted above in Paragraph 8, there can be additional costs which will need to be paid on the closing date of your transaction.

We will do our best to let you know the Amount To Close well in advance of the closing; however, it can sometimes be difficult to give precise amounts as we often receive revised instructions from lenders and confirmation of the final adjustments between the parties sometimes does not happen until the day before closing. In advance of closing, we will provide you with directions with respect to the delivery of Amount To Close. Without exception, the Amount To Close must be paid by certified cheque, bank draft, wire transfer or such other means as our office directs. The closing of your transaction could be delayed if the Amount to Close is received late or if we receive an uncertified cheque. There could also be additional charges on your transaction for cheque certification and use of “rush” courier services.

## 10. Pre-closing inspection

Within a week of the closing date, you should arrange with your realtor to do a final walkthrough. Generally, this will take place on the evening before closing or the morning of. The purpose of the final walkthrough is to look for new deficiencies that arose after your home inspection. You should also test the functioning of lights switches, appliances, water faucets, etc. and the overall cleanliness and condition of the same and the home in general. Some testing may not be possible if the home’s utilities have been disconnected. If you observe deficiencies in the home, it is extremely important that you let us know before the transaction has closed. Once the transaction has closed, it can be very difficult to get the vendor to address issues and, in our experience, most issues will have to be dealt with by you and could need to be pursued via litigation.

## **11. Retaining transaction records**

After closing, we will send you a closing package which will include important transactional documents. Included in the closing package will be your Bill of Sale or General Conveyance for the Mobile Home. This document is proof of your ownership of the Mobile Home - there is no electronic database where this document is recorded. We strongly suggest that you keep all of these documents, including the Bill of Sale\General Conveyance, in a safe place for future reference.

### **Questions or Comments**

Again, thank you for retaining me as your lawyer, and please contact me with any questions or comments you may have. While I may not be immediately available at all times, I will do my best to reply to your enquiries as promptly as possible. If you have any emergency matter which requires immediate attention, please contact my assistant, (**Name**).

I look forward to hearing from you and working with you on this file.

Yours truly,

**[Signature Block]**