

### **\*\*\*Legal Alert\*\*\***

We've recently had some questions come into the office pertaining to the joint CTR GHAR Purchase and Sale contract and we wanted to pass along some of those answers to everyone.

**Initial Deposits:** Once a purchase contract is fully executed the initial deposit is due immediately, time is of the essence. According to section 6 of the GHAR Purchase Contract the buyer is in default if any deposit is not received within 3 calendar days of the date for payment specified in the contract. Therefore, if the initial deposit has not been received on or before day 4, the seller would have the right to declare the buyer in default and terminate the contract.

**Title:** Recently new language was added to Section 10. You can explain this paragraph to your buyers and sellers by telling them it addresses a buyer's ability to obtain a title insurance policy, or for a buyer's lender to obtain a title insurance policy. The title insurance company regularly requests a seller sign an affidavit stating that, to the best of their knowledge, for example that there wasn't any work done at the property recently that has gone unpaid, there are no tenants and and there's no one the seller knows of claiming an interest in the property. The affidavit would be reviewed with the sellers by their attorneys at the closing and is not something the REALTOR would need to be involved in.