



The Dos and Don'ts of Struck Clauses

How to Strike a Clause

1. Acknowledge that the clause is not applicable.
2. Strike the clause by drawing a line through the clause or insert “N/A”, “VOID”, “DELETE”, etc.
3. Have all parties (seller and buyer) initial the struck clause.

When Striking a Clause

1. The wording of the clause must remain legible.
2. Some electronic signature providers may partially or entirely white out the clause. This is not compliant because it impairs the legibility of the clause.
3. All parties must initial when a clause is struck.

Example One



1. Deposit

1.1. The Buyer submits _____ dollars
(\$ _____ CDN)
on or before the _____ day of _____, 20_____,
payable to:

in trust, as a deposit to be held pending completion or termination of this
Agreement and to be credited towards the purchase price on completion.
Balance of purchase price to be paid on closing or as otherwise stated in this
Agreement. If the deposit is not delivered as specified, the Seller shall be at
liberty to declare this Agreement null and void.

It is not compliant to leave a clause blank.

1. Deposit

1.1. The Buyer submits _____ dollars
(\$ _____ CDN)
JD on or before the _____ day of **N/A**, 20_____,
payable to:
JS _____
in trust, as a deposit to be held pending completion or termination of this
Agreement and to be credited towards the purchase price on completion.
Balance of purchase price to be paid on closing or as otherwise stated in this
Agreement. If the deposit is not delivered as specified, the Seller shall be at
liberty to declare this Agreement null and void.

This is compliant because:

- a) The clause has been struck using "N/A"; and
- b) It is initialed by all parties to the Agreement.

Example Two



1. Deposit

1.1. The Buyer submits _____ dollars
(\$ _____ CDN)
on or before the _____ day of _____, 20_____,
payable to:

in trust, as a deposit to be held pending completion or termination of this Agreement and to be credited towards the purchase price on completion. Balance of purchase price to be paid on closing or as otherwise stated in this Agreement. If the deposit is not delivered as specified, the Seller shall be at liberty to declare this Agreement null and void.

This is not compliant because the parties have not initialed the struck clause.



1. Deposit

1.1. The Buyer submits _____ dollars
(\$ _____ CDN)
JD on or before the _____ day of _____, 20_____,
payable to:
JS _____

in trust, as a deposit to be held pending completion or termination of this Agreement and to be credited towards the purchase price on completion. Balance of purchase price to be paid on closing or as otherwise stated in this Agreement. If the deposit is not delivered as specified, the Seller shall be at liberty to declare this Agreement null and void.

This is compliant because:

- The clause is struck; and
- It is initialed by all parties to the Agreement.

Example Three

Clauses with direction that require the applicable boxes be checked can be executed in a number of ways. Below are a few examples:



3. Seller's Obligations

3.1. The Seller shall provide the Buyer or the Buyer's Agent with a copy of the following on or before the 20 day of DECEMBER, 20 18 (check the applicable boxes):

- Property Disclosure Statement
- Any restrictive covenants that may affect the Property
- ~~Equipment Schedule, if not attached, and all related contracts~~
- ~~Location certificate and/or survey, if available, without representations or warranties~~
- Other: _____
- Other: _____

This is not compliant because the struck clauses have not been initialed by all parties.



3. Seller's Obligations

3.1. The Seller shall provide the Buyer or the Buyer's Agent with a copy of the following on or before the 20 day of DECEMBER, 20 18 (check the applicable boxes):

- JD* Property Disclosure Statement
- JS* Any restrictive covenants that may affect the Property
- ~~Equipment Schedule, if not attached, and all related contracts~~
- ~~Location certificate and/or survey, if available, without representations or warranties~~
- Other: _____
- Other: _____

To strike and initial is compliant and in this situation, initials would be required. (However, this clauses does not need to be struck and initialed because the clause direction is to check the applicable boxes).



3. Seller's Obligations

3.1. The Seller shall provide the Buyer or the Buyer's Agent with a copy of the following on or before the 20 day of DECEMBER, 20 18 (check the applicable boxes):

- Property Disclosure Statement
- Any restrictive covenants that may affect the Property
- Equipment Schedule, if not attached, and all related contracts
- Location certificate and/or survey, if available, without representations or warranties
- Other: _____
- Other: _____



This is the preferred method to use for clauses 3 & 4 in the Agreement of Purchase and Sale.

Example Four



4. Buyer's Conditions

4.1. This Agreement is subject to the Buyer, at the Buyer's expense, securing, conducting or reviewing the following on or before the _____ day of _____, 20____ (check the applicable boxes):

—
[
[
JD [**DELETE**
JS [
[
[
[
[

These conditions shall be deemed to be satisfactory to the Buyer unless the Seller or the Seller's Agent is notified to the contrary, in writing, on or before the date outlined in clause 4.1. If notice to the contrary is received, either party shall be at liberty to terminate this Agreement and the deposit shall be returned to the Buyer.

4.2. The Seller agrees to provide all reasonable assistance and access to the Buyer to allow completion of the above investigations and inspection(s) outlined in clause 4.1 and any schedule(s) attached to this Agreement.

This is not compliant because the clause is not legible.

4. Buyer's Conditions

4.1. This Agreement is subject to the Buyer, at the Buyer's expense, securing, conducting or reviewing the following on or before the _____ day of _____, 20____ (check the applicable boxes):

Property Disclosure Statement
 Any restrictive covenants that may affect the Property
 Equipment Schedule, if not attached
 Financing
 Property Inspection(s) **DELETE**
 Insurance
 Other: _____
 Other: _____

These conditions shall be deemed to be satisfactory to the Buyer unless the Seller or the Seller's Agent is notified to the contrary, in writing, on or before the date outlined in clause 4.1. If notice to the contrary is received, either party shall be at liberty to terminate this Agreement and the deposit shall be returned to the Buyer.

4.2. The Seller agrees to provide all reasonable assistance and access to the Buyer to allow completion of the above investigations and inspection(s) outlined in clause 4.1 and any schedule(s) attached to this Agreement.

This is compliant because:

- a) The clause is struck using the word "DELETE";
- b) It is initialed by all parties to the Agreement; and
- c) The wording of the clause remains legible.

Example Five



7. Additional Conditions

This is not compliant because the parties have not initialed the struck clause.



7. Additional Conditions
<i>JD</i>
<i>JS</i>

This is compliant. However, as it is an "Additional Conditions" clause it is not necessary to strike and initial when there are no applicable conditions to be added.



7. Additional Conditions

It is compliant to leave the "Additional Conditions" clause blank.

Example Six



8. Lawyer Review

8.1. ~~This Agreement is subject to the review by both the Buyer's and the Seller's lawyers, acting reasonably with respect to wording and content within the Agreement. This review shall be deemed to have been acceptable to both parties, unless the other party or their Agent is notified to the contrary, in writing, on or before the _____ day of _____, 20____.~~

JD ~~If notice to the contrary is received, either party shall be at liberty to terminate this Agreement and the deposit shall be returned to the Buyer.~~

This is not compliant because the clause is not legible.



8. Lawyer Review

8.1. This Agreement is subject to the review by both the Buyer's and the Seller's lawyers, acting reasonably with respect to wording and content within the Agreement. This review shall be deemed to have been acceptable to both parties, unless the other party or their Agent is notified to the contrary, in writing, on or before the _____ day of _____, 20____.

JD

JS If notice to the contrary is received, either party shall be at liberty to terminate this Agreement and the deposit shall be returned to the Buyer.

This is compliant because:

- a) The clause is struck using a thin line which allows for the wording of the clause to remain legible; and
- b) It is initialed by all parties to the Agreement.

Useful Links

1. Course Booklet for 2018 Mandatory Forms Course:
<https://www.nsrec.ns.ca/images/documents/updates-website-forms-pilot-course.pdf>
2. Clauses to be struck and initialed (Form 400): <https://www.nsrec.ns.ca/news-practice-resources/news-bulletins/item/news-bulletin-november-9-2018>
3. Seller does not pay remuneration (Form 111): <https://www.nsrec.ns.ca/news-practice-resources/news-bulletins/item/news-bulletin-may-29-2018>