

Understanding “Computation of Time”

General Term “1”

General Term “1” (Computation of Time) of the purchase and sale agreement governs how time is calculated for the various time periods in the agreement.

Critical Points

- Any period of time starts on the day following the event commencing the period (e.g. mutual acceptance occurs on Tuesday, day one is Wednesday)
- Time periods of 5 days or less do not include weekends or legal holidays
- Time periods of more than 5 days include weekends and legal holidays
- Time periods end at 9:00 pm on the last day of the specified period
- If the last day of the time period is on a weekend or a legal holiday, it moves to the next day that is not a weekend or legal holiday (except for the Possession Date)
- Time periods are not delayed by a missing legal description - time periods begin from the date of mutual acceptance
- The computation of time provision applies to all timelines in the purchase and sale agreements and any addenda (e.g. Form 22A, Form 22B, Form 22D, Form 35, etc.)

Examples:

A 3-day response period, initiated by a form delivered on Monday, May 5th

- The time period is "5 days or less", therefore weekends and legal holidays are not counted
- Day 1 of the time period is **Tuesday, May 6th**
- The end of the time period (Day 3) is **Thursday, May 8th at 9:00 pm**

A 3-day response period, initiated by a form delivered on Friday, May 9th

- The time period is "5 days or less", therefore weekends and legal holidays are not counted
- Day 1 of the time period is **Monday, May 12th**
- The end of the time period (Day 3) is **Wednesday, May 14th at 9:00 pm**

A 10-day inspection period, with mutual acceptance on Monday, May 5th

- The time period is more than 5 days, therefore weekends and legal holidays are counted
- Day 1 is **Tuesday, May 6th**
- The end of the time period (Day 10) is **Thursday, May 15th at 9:00 pm**

A 10-day inspection period, with mutual acceptance on Wednesday, May 7th

- The time period is more than 5 days, therefore weekends and legal holidays are counted
- Day 1 is **Thursday May 8th**
- The last day in the time period is a weekend day (Saturday, May 17th), therefore the end of the time period is **Monday, May 19th at 9:00 pm**

Frequently Asked Questions:

Q: What if the buyer and seller reach mutual acceptance at 11:30 pm?

A: The time of day that an accepted offer or counteroffer is delivered is not important. For example, if an accepted offer is properly delivered to the other party on Wednesday, May 7th at 11:30 pm, mutual acceptance occurs on Wednesday, May 7th and Day 1 is Thursday, May 8th. The 9:00 p.m. deadline only applies on the last day of a specific time period.

Q: What if the buyer signs a counteroffer on Monday, May 5th at 11 pm, but the selling broker does not deliver the signed agreement to the listing firm until Tuesday, May 6th?

A: Mutual acceptance occurred on Tuesday, May 6th and Day 1 is Wednesday, May 7th. Time periods should be calculated from the date a signed document is properly delivered to the other party, not the date the document was signed.