



# **Residential Contracts for Sale and Purchase**

Presented by  
LEGAL EDUCATION DEPARTMENT  
of  
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# Residential Real Estate Contracts for Sale & Purchase

A real estate contract governs the consummation of a real property transaction. It covers seller and buyer information, what is being purchased, purchase price, and other critical terms which make it valid and enforceable. It must be in writing.

## REFERENCES:

- *Cohodas v. Russell*, 289 So.2d 55 (Fla. 2d DCA 1974)
- *DiMase v. Aquamar 176, Inc.*, 835 So.2d 1150 (Fla. 3d DCA 2002)
- *De Vaux v. Westwood Baptist Church*, 953 So.2d 677 (Fla. 1<sup>st</sup> DCA 2007)
- *Miller v. Murray*, 68 So.2d 594 (Fla. 1953)

A standard form contract is often used for residential real estate transactions. Two most common form contracts are the “AS IS” and “Repair” versions of the **Residential Contract For Sale And Purchase** approved by **Florida Realtors®**

## Reviewing the FR/BAR Contract – Specific Paragraphs

**Parties** – If preparing the contract, sellers’ names should be shown exactly the way title is held unless there has been a death or a change in marital status – OBTAIN THIS INFORMATION FROM PRIOR TITLE INSURANCE POLICY OR A COPY OF RECORDED DEED. All owners must execute contract. For a residence owned individually by a married person, their spouse should join in the execution of contract to confirm their agreement to release constitutional homestead rights.

## REFERENCES:

- *Nordberg v. Green*, 638 So.2d 91 (Fla. 3d DCA 1994)
- *Taylor v. Maness*, 941 So.2d 559 (Fla. 3d DCA 2006)

Names of buyers should be shown exactly as they wish to take title at closing.

### 1. **Property Description:**

- (a) Street address, city, zip** – Verify address of property to be conveyed.
- (b) County and Tax ID #** – Verify county where property is located and its Tax Folio number.
- (c) Real Property: the legal description** – Verify legal description. Do not rely solely on information obtained from contract, property appraiser or Multiple Listing Service (“MLS”) listing. RELY UPON A PRIOR TITLE INSURANCE POLICY, DEED, OR SURVEY. Also, verify seller has not previously conveyed any portion of original property. This section also includes a definition of “Real Property” which includes all “fixtures, including built-in appliances, built-in

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furnishings and attached wall-to-wall carpeting and flooring” unless specifically excluded.

**REFERENCES:**

- *White v. Syfrett*, 955 So.2d 1110 (Fla. 1<sup>st</sup> DCA 2006)
- *Jordan v. Boisvert*, 632 So.2d 254 (Fla. 1<sup>st</sup> DCA 1994)

(d) **Personal Property** – Unless excluded, following personal property is included and allows space for additional included personal property not already listed.

<b>FR/BAR</b>
• range(s)
• oven(s)
• refrigerator(s)
• dishwasher(s)
• disposal
• ceiling fan(s)
• light fixture(s)
• drapery rods
• draperies
• blinds
• window treatments
• smoke detector(s)
• garage door opener(s)
• thermostat(s)
• doorbells
• television wall mount(s) and mounting hardware
• security gate and other access devices
• mailbox keys
• storm shutters/storm protection items and hardware

(e) **Personal Property Excluded** – Specific items to be excluded which would otherwise be included by virtue of Paragraphs 1.(c) or (d). Gives an area in which to note what preprinted personal property is specifically excluded..

**REFERENCES:**

- *Commercial Finance Co. v. Brooksville Hotel Co.*, 98 Fla. 410 (1929)
- *Rompon Properties, Inc. v. Langelier*, 341 So.2d 1068 (Fla. 2d DCA 1977)

## Purchase Price and Closing

2. **Purchase Price** – Purchase price and terms of payment are essential to a real estate contract.

REFERENCE:

- *Peterson Homes, Inc. v. Johnson*, 691 So.2d 563 (Fla. 5<sup>th</sup> DCA 1997)

**(a) Initial deposit** – This section identifies Escrow Agent and amount of deposit, if any, paid by buyer at time contract is executed, or to be paid after Effective Date.

**(b) Additional deposit** – Review this section when payment of deposit is split between an initial deposit and an additional deposit. If time for delivery of additional deposit is left blank, default is ten days from Effective Date for delivery

REFERENCE:

- *Fabel v. Masterson*, 951 So.2d 934 (Fla. 4<sup>th</sup> DCA 2007)

**(c) Financing** – Total amount of financing buyer contemplates is noted, no matter type of financing buyer plans to receive. Amount can be expressed as either a dollar amount or percentage.

**(d) Other** – Describe any form of payment of purchase price other than those previously specified. This section is not intended to describe any third-party financing.

**(e) Balance to close** – Reflects balance of cash to be paid after adjustment of purchase price for deposits, third party financing, etc. **COLLECTED FUNDS** are defined in Paragraph 18. Standard S. as any checks tendered or received, including the deposits, which have become actually and finally collected and deposited in the account of the escrow or closing agent

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**NOTE: Amounts on each line in Paragraph 2. of each contract should total Purchase Price.**

**3. Time for Acceptance of Offer and Counter-Offer; Effective Date**

(a) Time for Acceptance of Offer and Counter-Offer – Gives parties a deadline to deliver final executed copies. Default time for acceptance of counter-offers is two days.

(b) **Effective Date** – Effective Date is crucial to the contract as it is the date from where most deadlines, when not set out by specific date, are calculated. It is not enough that the contract is actually accepted and signed but it must also be delivered.

**CRSP** – Paragraph 11.(a)

**4. Closing Date** – Sets date for closing. Paragraph 18. Standard F. states time is of the essence for the contract.

**5. Extension of Closing Date**

(a) **CFPB Requirements** – Consumer Financial Protection Bureau (CFPB) enforces rules requiring lenders to make certain disclosures to purchasers prior to closing. If lenders do not make the disclosures timely, loan funds may not be available on Closing Date. Closing Date to be extended for a period of time to meet CFPB requirements, but no more than ten days.

**CRSP** – Paragraph 4. allows the closing to be extended for a period of no more than ten days to comply with CFPB requirements.

(b) **Force Majeure** – If an event beyond control of parties occurs which makes essential services unavailable or prevents binding of hazard, wind, flood or homeowner's insurance then Closing Date shall be extended. See Paragraph 18. Standard G. for additional information.

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**6. Occupancy and Possession:**

- (a) Occupancy, full possession, removal of all personal property not being sold, AND delivery of all keys, garage door openers, and access codes should be set for time of closing. Rider T. can be used for pre-closing occupancy by buyer. Rider U. can be used for post-closing occupancy by seller.
- (b) Leases – If tenants occupying property, seller is required to provide buyer with copies of leases and an income and expense report. If seller’s representations regarding leases are materially different from their actual terms, buyer has right to cancel the contract. In addition, seller must deliver original leases and assign its rights under leases to buyer at closing.

	<b>FR/BAR</b> (Paragraphs 6. (b) and 18. Standard D.)
Deliveries to buyer	<ul style="list-style-type: none"> <li>• five days after Effective Date written statement of details of leases</li> <li>• ten days prior to closing copies of leases and estoppel letters (if seller is unable to obtain estoppel letter then seller will provide an affidavit and buyer may contact tenant)</li> </ul>
Time for deliveries	<ul style="list-style-type: none"> <li>• see above</li> </ul>
Deadline for buyer to deliver notice to terminate	<ul style="list-style-type: none"> <li>• five days from receipt of written statement</li> <li>• five days after receipt of leases and estoppel letters, but no later than five days prior to closing</li> </ul>
Deposits and advance rent?	<ul style="list-style-type: none"> <li>• amount is transferred to buyer at closing – Standard K.</li> </ul>

- 7. Assignability** – Buyer may want to assign the contract when unsure how to take title to the property. Seller may object to wish to retain right to object to party substitutions for a variety of reasons. FR/Bart 6 now provides a default to “unassignable” if no box is checked.



## Financing

### 8. Financing

- (a) **Cash Transaction** – No financing contingency, when buyer is paying by cash or no financing contingency involved.
- (b) **Financing Contingency** – Governs type of loan buyer intends to apply for including amount of time for buyer to receive Loan Approval. Default for Loan Approval time is 30 days from the Effective Date. Allows for detail of particular loan desired by buyer including principal amount, interest rate, and term of loan.
- (c) **Assumption of Existing Mortgage** – Describes any existing mortgage which is being assumed by buyer. It contains further details such as terms of existing mortgage, requirements for assumption, etc. Rider D. gives more detailed information about existing mortgage.
- (d) **Purchase Money Mortgage** – Identifies financing furnished by seller in a purchase money mortgage and note. Rider C. gives more detailed information about proposed note and mortgage.

**TIP** – Contingencies for Financing should describe a mortgage which is reasonably obtainable by buyer.

#### REFERENCES:

- *D'Amico v. Brightfelt*, 924 So.2d 872 (Fla. 4<sup>th</sup> DCA 2006)
- *Kissman v. Panizzi*, 891 So.2d 1147 (Fla. 4<sup>th</sup> DCA 2005)
- *Mechaia Investments, LLC v. Romano*, 56 So.3d 107 (Fla. 3d DCA 2011)
- *Quirch v. Coro*, 842 So.2d 184 (Fla. 3d DCA 2003)

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- *Rocha v. Wolfson*, 612 So.2d 700 (Fla. 3d DCA 1993)

## **Closing Costs, Fees and Charges**

### **9. Closing Costs; Title Insurance; Survey; Home Warranty; Special Assessments**

- (a) **Costs to be paid by seller** – Covers costs to be paid by seller. Seller is specifically required to also pay cost of any HOA (Home Owner's Association) or condominium association estoppel fees. In addition, if seller cannot keep property maintained, make required repairs, or cure permit issues during pendency of the contract, Paragraph 9.(a) allows sums equal to 125% of estimated repair costs (but not to exceed applicable repair limits) to be escrowed so that repairs can be made. If actual costs exceed escrow amount, seller will pay remainder, but not to exceed applicable repair limits.

Seller pays for following:

- Documentary stamp taxes and surtax on deed
- Owner's Title Insurance Policy premium and charges
- Title search charges
- Municipal lien search
- HOA/Condominium Association estoppel fees
- Recording and other fees needed to cure title
- Seller's attorneys' fees
- FIRPTA costs (FR/Bar 6)
- "Other" costs can also be included

In addition, seller will pay for general repairs to property and repairs and treatment related to wood-destroying organisms. Contract allows parties to determine either a dollar amount or percentage of purchase price as limits for these repair costs. If there is no amount determined, default is 1.5% of purchase price for each type of repair. In addition, seller is typically required to pay costs associated with closing open permits or obtaining permits for improvements for which none were obtained.

8., will give buyer a credit at closing for cost of repairs seller was to make.

- (b) **Costs to be paid by buyer** – Buyer customarily pays for following:

- Taxes and recording fees on notes and mortgages
- Recording fees for deed and financing statements
- Survey (and elevation certificate, if needed)
- Costs associated with financing (e.g. lender's title policy and endorsements and loan expenses)

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- Owner's title policy, if Miami-Dade/Broward provision is checked
- HOA/Condominium Association application/transfer fee
- Loan expenses
- Appraisal fees
- Inspections
- Property related insurance
- Buyer's attorneys' fees
- "Other" costs can also be included

(c) **Title Evidence** – In some counties, seller pays for title evidence and buyer pays title examination fee, closing fee, title policy, and possibly for update after closing. In other counties, custom may be to have seller deliver and pay for title commitment and policy. Specifies number of days prior to Closing Date title insurance commitment is to be provided to buyer is Title Evidence Deadline. Default is fifteen days prior to closing. If seller has a title insurance policy, seller is required to provide it to buyer and closing agent within five days of Effective Date. See Paragraph 18. Standard A. title evidence and examination as well as Paragraph 18. Standard C. for additional information. Choose one of following:

- i. Seller to designate Closing Agent and pay for Owner's Policy
- ii. Buyer shall designate Closing Agent and pay for Owner's Policy
  - **[Miami–Dade/Broward reginal provisions]** seller pay for update of title evidence, tax search, municipal lien search; buyer to pay for owner's policy

**REFERENCES:**

- *Wheeler v. Sullivan*, 106 Fla. 109 (1932)
- *Adams v. Whittle*, 101 Fla. 705 (1931)
- *Grieser v. Myers*, 267 So.2d 673 (Fla. 4<sup>th</sup> DCA 1972)

(d) **Survey** – Buyer may have property surveyed at buyer's expense. Requires survey to be made and certified by a registered Florida surveyor on or before Title Evidence Deadline. Provision also requires seller to furnish buyer and

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closing agent with an existing survey of property within five days of Effective Date, if seller has an existing survey. If there are title defects disclosed on survey buyer must deliver a copy of survey and its notice of title defects to seller within five days of receipt of survey, but no later than Closing Date. See Paragraph 18. Standard B. Survey for provisions to cure survey defects in this section.

**TIP** – Most institutional lenders demand an endorsement to title insurance policy which will require an examination of a survey.

REFERENCES:

- FLA. STAT. §627.7842 (Policy exceptions)
- *Bridgham v. Skrynski*, 873 So.2d 496 (Fla. 2d DCA 2004)

**(e) Home Warranty** – If parties agree to a home warranty, provider, cost, and party who will pay should be indicated in the contract.

**(f) Special Assessments** – From time to time public bodies make special assessments on properties for any number of improvements, including upgrading sewer systems or repairing sidewalks. Determine which party will pay assessments. This paragraph specifically states that assessments made by a community development district are treated as ad valorem taxes, not special assessments.

## Disclosures

### 10. Disclosures

**(a) Radon Gas** – This disclosure is required by FLA. STAT. §404.056 for all sales of any building, residential or otherwise. Disclosure describes radon, but does not require testing to disclose radon gas levels before a sale or lease.

**(b) Permits Disclosure** – Other than those previously disclosed to buyer in writing, seller does not know of any improvements made to property without proper permits or any permits that have not been closed. If seller has identified permits which have not been properly closed or if unpermitted work has been completed, seller shall promptly deliver to buyer all documentation or other information in seller's possession, knowledge or control relating to said improvements.

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- (c) **Mold** – Informs buyer of potential health risks and damage to property associated with mold. In addition, it advises buyer to contact a professional for additional information about mold dangers.
- (d) **Flood Zone; Elevation Certificate** – Advises buyer to verify by elevation certificate which flood zone the property is in, requirements for flood insurance by lender, and restrictions on rebuilding. It also allows buyer to cancel the contract within 20 days of Effective Date if property is located in either a Special Flood Hazard Area or a Coastal High Hazard Area or flood insurance is not available.
- (e) **Energy Brochure** – Acknowledgement that buyer has received “Florida Energy-Efficiency Rating Information Brochure” as required by FLA. STAT. §553.996.
- (f) **Lead-Based Paint** – Lead-based paint disclosure is mandatory for property was built prior to 1978. Rider P. will include additional information.

REFERENCES:

- 15 U.S.C. §2686 (lead hazard information pamphlet)
- 42 U.S.C. §4852d (disclosure of information concerning lead upon transfer of residential property)
- 24 C.F.R. §35.90 (opportunity to conduct an evaluation)
- 24 C.F.R. §35.92 (certification and acknowledgment of disclosure)

- (g) **Homeowners’ Association/Community Disclosure** – If property is subject to a mandatory homeowners’ association, seller is to provide buyer with a disclosure summary regarding the association, existence of restrictive covenants, and assessments the association imposes. Rider B. has additional information.

REFERENCE:

- FLA. STAT. §720.401

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(h) **Property Tax Disclosure Summary** – Informational warning not to rely on current tax bill for projection of future tax bills.

(i) **Foreign Investment in Real Property Tax Act (“FIRPTA”)** – Seller shall inform buyer in writing if seller is foreign. Both parties shall comply with FIRPTA, which may require seller to bring additional funds to closing. Both parties are advised to seek legal counsel and tax advice. See Paragraph 18. Standard V. for additional information.

REFERENCE:

- 26 U.S.C. §1445

(j) **Seller’s Disclosure** – Seller states that, other than those previously disclosed to buyer or readily observable, seller has no knowledge of any facts materially affecting value of the property. Seller has received no written or verbal notice from any governmental entity or agency as to a currently uncorrected building, environmental or safety code violation.

REFERENCES:

- FLA. STAT. §689.25
- *M/I Schottenstein Homes, Inc. v. Azam*, 813 So.2d 91 (Fla. 2002)
- *Johnson v. Davis*, 480 So.2d 625 (Fla. 1986)
- *Jensen v. Bailey*, 76 So. 3d 980 (Fla. 2011)
- *Postrenga v. Tanner*, 903 So.2d 219 (Fla. 5<sup>th</sup> DCA 2005)
- *Meyer v. Thompson*, 861 So.2d 1256 (Fla. 4<sup>th</sup> DCA 2003)
- *Syvrud v. Today Real Estate, Inc.*, 858 So.2d 1125 (Fla. 2d DCA 2003)
- *Spitale v. Smith*, 721 So.2d 341 (Fla. 2d DCA 1998)
- *Billian v. Mobile Corp.*, 710 So.2d 984 (Fla. 4<sup>th</sup> DCA 1998)
- *Levy v. Creative Construction Svcs. of Broward, Inc.*, 566 So.2d 347 (Fla. 3d DCA 1990)

## **Property Maintenance, Condition, Inspections and Examinations**

11. **Property Maintenance** – Seller is required to maintain the property in same condition from Effective Date excluding normal wear and tear including lawn, shrubbery, and pool.

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**12. Property Inspection and Repair**

(a) **Inspection Period** – Buyer at own expense, is granted a time period in which to inspect property for defects and determine what, if any, repairs should be made to property. If Buyer fails to timely notify seller of defects and repairs, buyer waives right to have seller make repairs and takes the property in an “as is” condition with respect to those items. This does not relieve seller of its obligation to maintain, however. Repairs should be made in a workmanlike manner by persons licensed to make such repairs. Also requires all materials used to make repairs to be of the value, capacity and performance comparable to, or better than that existing, as of the Effective Date. In addition, all repair and treatment contracts and warranties should be assigned to buyer for its benefit.

•

	<b>FR/BAR (Paragraph 12.)</b>
Inspections contemplated	<ul style="list-style-type: none"> <li>• general 12.(b)</li> <li>• wood-destroying organisms 12.(b)</li> <li>• building permit 12.(c)</li> </ul>
Time to complete inspections	<ul style="list-style-type: none"> <li>• default is fifteen days after Effective Date</li> </ul>
Buyer repairs damage resulting from inspection?	<ul style="list-style-type: none"> <li>• buyer only has to repair if contract does not close</li> </ul>
Paid receipts for work done on property?	<ul style="list-style-type: none"> <li>• buyer must provide to seller if contract does not close</li> </ul>

(b) **General Property Inspection and Repair** – Buyer has opportunity to have a licensed home inspector inspect general condition of property and determine what items are in need of repair or replacement. Generally, seller warrants that all “systems” (e.g. appliances, heating and cooling) are in working order and structures of house are sound. In addition, seller is not typically required to repair “cosmetic conditions” but is required to replace torn or missing screens and roof tiles. Contract requires seller to provide access and utilities for performance of inspections.

	<b>FR/BAR (Paragraph 12.(b))</b>	<b>CRSP (Paragraph 8.(a))</b>
Deadline to provide notice to seller	<ul style="list-style-type: none"> <li>• within inspection period</li> </ul>	<ul style="list-style-type: none"> <li>• within five days of end of inspection period</li> </ul>
Form of notice	<ul style="list-style-type: none"> <li>• written notice; or</li> <li>• copy of relevant portion of inspector’s report</li> </ul>	<ul style="list-style-type: none"> <li>• written notice; and</li> <li>• copy of relevant portion of inspector’s report</li> </ul>
Seller’s receipt of notice	<ul style="list-style-type: none"> <li>• within ten days either:</li> <li>• have repair costs estimated and provide to buyer; or</li> <li>• have second inspection made and provide report and repair estimates to buyer</li> </ul>	<ul style="list-style-type: none"> <li>• within five days</li> <li>• may have second inspection made and provide repair estimates to buyer</li> </ul>
If 2 inspections are made and parties cannot agree	<ul style="list-style-type: none"> <li>• buyer and seller together choose a third inspector whose report is binding</li> </ul>	<ul style="list-style-type: none"> <li>• buyer and seller together choose a third inspector whose report is binding</li> </ul>
If repair costs exceed repair limit	<ul style="list-style-type: none"> <li>• five days from either parties receipt of last estimate either:</li> <li>• seller sends notice to buyer that all repairs will be made</li> <li>• buyer sends notice to seller designating which repairs to make up to the repair limit and takes “as is” to others</li> </ul>	either: <ul style="list-style-type: none"> <li>• seller sends notice to buyer that he will make all repairs</li> <li>• buyer sends notice to seller designating which repairs to make up to the repair limit and takes “as is” to others</li> <li>• either party may terminate contract</li> </ul>
No notice is given?	<ul style="list-style-type: none"> <li>• either party may terminate contract</li> </ul>	<ul style="list-style-type: none"> <li>• either party may terminate contract</li> </ul>



- (c) **Wood–Destroying Organism Inspection and Repair** – Buyer may have property inspected by a licensed inspector to determine existence of past or present infestation or existence of damage caused by infestation. If prior infestation damage is found and if seller had previously had house treated, seller is not required to retreat so long as there is no live infestation and seller assigns its current full treatment warranty to buyer.

	<b>FR/BAR (Paragraph 12.(c))</b>
Deadline to provide notice to seller	<ul style="list-style-type: none"> <li>• within inspection period</li> </ul>
Repair estimates	<ul style="list-style-type: none"> <li>• ten days from receipt of report have damage and repair estimates made and a copy sent to buyer</li> </ul>
If repair costs exceed repair limit	<ul style="list-style-type: none"> <li>• five days from buyer’s receipt of estimate, buyer notifies seller, either:               <ul style="list-style-type: none"> <li>• buyer will pay the excess; or</li> <li>• buyer designates which repairs to make up to repair limit and takes “as is” to others</li> </ul> </li> <li>• if buyer does not notify seller, either party may cancel the contract</li> </ul>

- (d) **Inspection and Close–Out of Building Permits** – Improperly permitted structures and expired permits can cause liens to be placed on property which can then limit buyer’s ability to sell or mortgage the property later.
- i. **Permit Inspection** – Allows buyer opportunity to examine records and documents related to property to determine if there are any open or expired building permits or unpermitted improvements. If buyer becomes aware of such a situation, buyer may provide seller with written notice of defects during inspection period. Seller will promptly deliver to buyer all plans, written documentation or other information in seller’s possession, knowledge or control relating to improvements subject to such open or unpermitted improvements.
  - ii. **Close–Out of Building Permits** – Seller will, within ten days from receipt of notice, have an estimate of remedy made and sent to buyer. Seller is to have all of permits closed, up to permit limit, five days prior to closing. If cost to close permits exceeds permit limit, within five days from last receipt of estimates either, seller may notify buyer it will pay excess cost or buyer may notify seller it will take property “as is” and receive a credit at closing in amount of permit limit. If neither party acts, contract can be terminated by either party.  
At closing, seller will provide buyer with documentation that all open permits have been closed and that seller obtained required permits for any improvements to the property. If final inspections can not be performed

due to government delays, closing can be extended for up to ten days, after which either party may cancel the contract.

- (e) **Walk-Through Inspection/Re-Inspection** – A final inspection by buyer to verify that seller has made all required repairs, has maintained the property and that all other contract requirements have been met. Failure to complete walk-through waives any issue which would arise if a walk-through had been completed. Walk-through must be day before closing or on Closing Date. If needed a follow-up walk-through can be completed.

### **Escrow Agent and Broker**

- 13. Escrow Agent** – Escrow agent's duties are to deposit funds promptly and disburse funds in accordance with the contract. If there is a dispute involving escrow funds, escrow agent can hold funds until a court of competent jurisdiction has determined rights of parties; or deposit funds in court registry. In addition, escrow agent is allowed to recover fees for any litigation it is brought into as a result of its role as escrow agent. Requires all funds to be fully collected prior to disbursement by escrow agent. See Paragraph 18. Standard S. Collection or Collected, for additional information. Also expressly allows escrow agent to represent one of parties, including in action determining distribution of escrow funds. This provision expressly survives closing.
- 14. Professional Advice; Broker Liability** – Limits liability for brokers for errors or omissions. Buyer should seek specialized advice and advises buyer that all information related to buyer is based on seller representations and public records. In addition, buyer and seller agree to indemnify broker for misstatements of either party and failure of either party to perform the contract. This provision expressly survives closing.

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## Default and Dispute Resolution

15. **Default** – This provision expressly survives closing.
- (a) **Buyer Default** – Failure to preform timely including payment of deposits. If buyer defaults, seller may either keep deposit as liquidated damages or seek specific performance pursuant to Paragraph 16. Deposits paid to seller’s broker will be split between sellers’ and buyers’ broker, not to exceed what seller had already agreed to pay buyer’s broker.
- (b) **Seller Default** – No default if seller’s title remains unmarketable after diligent effort. If seller defaults, buyer may receive return of deposit without waiving any right to bring action for buyer’s damages pursuant to Paragraph 16. Dispute resolution or seek specific performance.

### REFERENCES:

- *Lefemine v. Baron*, 573 So.2d 326 (Fla. 1991)
- *Craigside, LLC v. GDC View, LLC*, 74 So.3d 1087 (Fla. 1<sup>st</sup> DCA 2011)
- *Pakalski v. CFC Pasadena Golf, LLC*, 42 So.3d 869 (Fla. 2d DCA 2010)
- *Hot Developers, Inc. v. Willow Lake Estates, Inc.*, 950 So.2d 537 (Fla. 4<sup>th</sup> DCA 2007)
- *Outrigger Resort Corp. v. L&E Corp.*, 611 So.2d 1358 (Fla. 4<sup>th</sup> DCA 1993)
- *Hackett v. J.R.L. Dev., Inc.*, 566 So.2d 601 (Fla. 2d DCA 1990)
- *Brecker v. Furman*, 508 So.2d 514 (Fla. 4<sup>th</sup> DCA 1987)

16. **Dispute Resolution** – Requires parties to submit to alternative dispute resolution methods, including mediation and arbitration. Requires buyer and seller to attempt to resolve any dispute as follows:
- (a) If dispute involves conflicting demands for deposit, parties have a ten day period to try to resolve their differences failing which mediation is directed.
- (b) Dispute is then submitted to mediation. If still no resolution, then court action.  
This provision expressly survives closing or termination of the contract.

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- (a) For disputes involving deposit, parties have 30 days to attempt to resolve dispute through mediation. If dispute cannot be resolved escrow agent, at his/her choice, submits dispute to arbitration, a Florida court, or Florida Real Estate Commission (if deposit is held by broker).
- (b) For all other disputes, parties also have 30 days to attempt to resolve dispute through mediation. Failing a mediated settlement, parties must submit to binding arbitration.

**17. Attorney's Fees; Costs** – Attorney's fees and costs provisions generally cover situation where litigation or alternative dispute resolution is involved in settling a disputed issue in the contract. Contract provides that parties bear their own costs, expenses, and attorney's fee in mediation and split the mediator's fee. Further it provides that if dispute is not settled in mediation and litigation is initiated, prevailing party is entitled to recover reasonable attorney's fees and costs. Comprehensive Rider BB. – Binding Arbitration, if included in the contract, offers an alternative to litigation. However, if this Rider is used there is no provision for the recovery of attorney's fees and costs from non-prevailing party.

REFERENCES:

- *Tarr v. Honea*, 959 So.2d 780 (Fla. 4<sup>th</sup> DCA 2007)
- *Leo v. MacLeod*, 752 So.2d 627 (Fla. 2d DCA 2000)

**Standards for Real Estate Transactions (“Standards”)**

**18. Standards** – sets out definition, details and parameters of the contract. Many sections have been discussed above.

**A. Title** – The contract contains provisions relating to examination of title and requirement to deliver marketable title. Title is considered marketable when it is free from legal doubt or uncertainty.

**(i) Title Evidence; Restrictions; Easements; Limitations** – By Title Evidence Deadline in Paragraph 9.(c) a Title Commitment with supporting documentation to be delivered to buyer. Requires no violations of, among other things, zoning and subdivision restrictions at closing AND that no zoning or subdivision restrictions prevent residential use. Also requires property to be insurable, without exception for lack of access.

**(ii) Title Examination** – Buyer has 5 days from receipt of Title Commitment to review and deliver written notice to seller of any defects. If there are issues with title, there are specific time lines and provisions within this section.

**B. Survey**

What Constitutes a Survey Defect?

<b>FR/BAR (Standard B.)</b>
• encroachments by property
• encroachments by property's improvements on other land
• encroachments by property's improvements on setbacks
• encroachments by property's improvements on easements
• violations of applicable governmental regulations
• violations of any restrictions or covenants

**C. Ingress and Egress** – Seller represents that there is legal right of access to property

**D. Lease Information** – Seller to provide estoppel letters for tenants at least ten days prior to closing.

**CRSP** – Addendum W. Rentals

**E. Liens** – Seller to furnish affidavit to buyer there are no potential lienors and no improvements on subject property for past 90 days. If improvements have been made then seller releases or waivers of construction liens.

**F. Time** – Calendar days are used in computing time periods. If a deadline falls on a Saturday, Sunday or national holiday, time for performance is extended to the next business day in county where the property is located. Time is of the essence. References to “5 pm” as the end of the day removed in FR/Bar 6

REFERENCES:

- *Legacy Place Apartment Homes, LLC v. PGA Gateway, Ltd.*, 65 So.3d 644 (Fla. 4<sup>th</sup> DCA 2011)
- *Denton v. Good Way Oil 902 Corp.*, 48 So.3d 103 (Fla. 4<sup>th</sup> DCA 2010)

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- *Metro Dev. Group, LLC v. 3D-C&C, Inc.*, 941 So.2d 11 (Fla. 2d DCA 2006)
- *Adrian Developers Corp. v. de la Fuente*, 905 So.2d 155 (Fla. 3d DCA 2004)
- *Miami Child's World, Inc. v. City of Miami Beach*, 688 So.2d 942 (Fla. 3d DCA 1997)

**G. Force Majeure** – This section extends Closing Date for a reasonable time, up to seven days, after Force Majeure no longer prevents performance under the contract. If such Force Majeure continues to prevent performance for more than 30 days, than either party may terminate the contract.

**H. Conveyance** – The contracts require title to be delivered by statutory warranty, trustee's, personal representative's, or guardian's deed.

**I. Closing Location; Documents; and Procedure –**

**(i) Location** – Closing may be accomplished by mail or electronic means. Closing is to take place in an agreed location and manor. Closing may also be accomplished by overnight courier.

**(ii) Closing Documents** – specifies documents to be provided at closing.

**( ) FinCEN GTO Notice** – Information regarding the FinCEN GTO requirements.

**(iii) Procedure** – In order for property to be fully transferred, all documents and monies need to be delivered to parties, which is the duty of closing agent. Does not allow the deed to be recorded until final collection of all closing funds. Closing agent disburses closing funds, including brokerage fee and net sale proceeds.

**J. Escrow Closing Procedure** – If Title Commitment will not provide insurance against an adverse mater, there are specific provision for holding funds in escrow.

**K. Prorations and Credits** – Taxes, assessments, and lease payments must be prorated at Closing Date. All such prorations are made to day prior to Closing Date, as day of closing belongs to buyer. Tax prorations should be calculated based on the current year's tax due. However, if such amount is not available, prorations should be made on the current year's assessment with last year's millage. If assessment is not available, the proration should be made on prior year's bill. All allowable discounts are to be made when prorating taxes. This provision expressly survives closing.

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**L. Access to Property to Conduct Appraisals, Inspection, and Walk-Through**  
– Seller will allow access upon reasonable notice.

**M. Risk of Loss** – The contracts contain provisions regarding restoration of property if it is damaged by fire or other casualty after Effective Date. Provides that if cost of repairs does not exceed 1.5% of purchase price, seller will make repairs and transaction shall close as normal. However, if repairs can not be made prior to closing, seller will escrow 125% of amount needed to complete repairs at closing. If actual costs exceed this amount, seller will pay remainder, not to exceed 1.5% of the purchase price, but if actual costs are less, seller will be refunded difference. If estimated cost of repairs is more than 1.5% of purchase price, buyer can either take the property “as is” with 1.5% of purchase price or cancel the contract. Seller is only required to prune or remove trees, which have been damaged.

**REFERENCE:**

- *O’Neal v. Commercial Assurance Co. of America* 263 So.2d 246 (Fla. 3d DCA 1972)

**N. 1031 Exchange** – Requires cooperation.

**O. Contract not Recordable; Persons Bound; Notice; Delivery; Copies; Contract Execution** – Provisions prohibiting recording of the contract. Additionally the contract shall be binding on respective heirs or successors in interest. For any notices that must be delivered between parties, notices must be in writing and delivered by mail, personal delivery, or electronic media. Any notice delivered to or received by an attorney or broker is as if received by party.

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**P. Integration; Modification** – The contract is meant to be entire agreement between parties and cannot be modified unless in writing signed by buyer and seller.

**REFERENCES:**

- *Henley v. MacDonald*, 971 So.2d 998 (Fla. 4<sup>th</sup> DCA 2008)
- *Bradley v. Sanchez*, 943 So.2d 218 (Fla. 3d DCA 2006)
- *King v. Bray*, 867 So.2d 1224 (Fla. 5<sup>th</sup> DCA 2004)

**Q. Waiver** – Failure to insist on compliance or strict performance of any provision shall not constitute a waiver of other provisions or rights.

**R. Riders; Addenda; Typewritten or Handwritten Provisions** – Typewritten or handwritten provisions will supersede inconsistent printed provisions.

**S. COLLECTED FUNDS** – Are defined as any checks tendered or received, including deposits, which have become actually and finally collected and deposited in account of escrow or closing agent.

**CRSP** – Paragraphs 17.

**T. Reserved**

**U. Applicable Law and Venue** – State of Florida

**V. FIRPTA Tax Withholding** – Buyer to withhold and remit 15% of amount realized, if required.

- No withholding required if seller can provide proof of non-foreign status.
- Buyer shall comply with a Withholding Certificate presented prior to closing.
- If an application for a Withholding Certificate has been made and there is no response at time of closing, buyer can decide to remit 15% or wait for withholding certificate.
- If net proceeds are insufficient to meet withholding requirement, seller shall deliver to buyer additional Collected funds necessary to satisfy the requirement.
- Buyer shall provide seller with copies of IRS forms 8288 and 8288-A as filed.

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## **Addenda and Additional Terms**

- 19. Addenda** – Multiple additional provisions to be added to the contract, including blank lines.
- 20. Additional Terms** – Blank lines for additional terms to be

## **Counter–Offer/Rejection**

The final part of the contract with provisions to counter-offer or reject.

Below are signature lines for all parties including real estate agents.

**Representations and Warranties to Survive Closing** – Common law merger doctrine states that all representations and warranties of a contract merge into the contract at closing, unless the contract specifically states otherwise

**FR/BAR** – Paragraphs 15., 16. and 17.

**CRSP** – Paragraphs 5.(d), 16.(b) and 18.

### REFERENCE:

- *Rubell v. Finkelstein*, 679 So.2d 889 (Fla. 3d DCA 1996)

## **References and Resources**

### **Real Estate Contract Must Be In Writing**

*Cohodas v. Russell*, 289 So.2d 55 (Fla. 2d DCA 1974)

*DiMase v. Aquamar 176, Inc.*, 835 So.2d 1150 (Fla. 3d DCA 2002) (reversed on rehearing en banc, dissenting opinion adopted, 835 So.2d 1158, Fla. 3d DCA 2003)

*De Vaux v. Westwood Baptist Church*, 953 So.2d 677 (Fla. 1<sup>st</sup> DCA 2007)

*Miller v. Murray*, 68 So.2d 594 (Fla. 1953)

### **Parties To The Contract**

*Nordberg v. Green*, 638 So.2d 91 (Fla. 3d DCA 1994)

*Taylor v. Maness*, 941 So.2d 559 (Fla. 3d DCA 2006)

### **Property Description**

*Jordan v. Boisvert*, 632 So.2d 254 (Fla. 1st DCA 1994)

*White v. Syfrett*, 955 So.2d 1110 (Fla. 1st DCA 2006)

### **Personal Property Included**

*Commercial Finance Co. v. Brooksville Hotel Co.*, 98 Fla. 410 (1929)

*Rompon Properties, Inc. v. Langelier*, 341 So.2d 1068 (Fla. 2d DCA 1977)

### **Purchase Price**

*Peterson Homes, Inc. v. Johnson*, 691 So.2d 563 (Fla. 5th DCA 1997)

### **Deposits**

*Fabel v. Masterson*, 951 So.2d 934 (Fla. 4th DCA 2007)

**Financing**

*D'Amico v. Brightfelt, 924 So.2d 872 (Fla. 4th DCA 2006)*

*Kissman v. Panizzi, 891 So.2d 1147 (Fla. 4th DCA 2005)*

*Mechaia Investments, LLC v. Romano, 56 So.3d 107 (Fla. 3d DCA 2011)*

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*Mechaia Investments, LLC v. Romano, 56 So.3d 107 (Fla. 3d DCA 2011)*

<i>Quirch v. Coro</i> , 842 So.2d 184 (Fla. 3d DCA 2003)
<i>Rocha v. Wolfson</i> , 612 So.2d 700 (Fla. 3d DCA 1993)
<b>Title</b>
<i>Adams v. Whittle</i> , 101 Fla. 705 (1931)
<i>Grieser v. Myers</i> , 267 So.2d 673 (Fla. 4 <sup>th</sup> DCA 1972)
<i>Wheeler v. Sullivan</i> , 106 Fla. 109 (1932)
<b>Survey</b>
<i>Bridgham v. Skrynski</i> , 873 So.2d 496 (Fla. 2d DCA 2004)
<b>Condominium Developer</b>
<i>McGuinness v. Prospect Aragon, LLC</i> , 981 So.2d 496 (Fla. 3d DCA 2008)
<b>Seller's Disclosure</b>
<i>Billian v. Mobile Corp.</i> , 710 So.2d 984 (Fla. 4 <sup>th</sup> DCA 1998)
<i>Jensen v. Bailey</i> , 76 So. 3d 980 (Fla. 2011)
<i>Johnson v. Davis</i> , 480 So.2d 625 (Fla. 1986)
<i>Levy v. Creative Construction Svcs. of Broward, Inc.</i> , 566 So.2d 347 (Fla. 3d DCA 1990)
<i>Meyer v. Thompson</i> , 861 So.2d 1256 (Fla. 4 <sup>th</sup> DCA 2003)
<i>M/I Schottenstein Homes, Inc. v. Azam</i> , 813 So.2d 91 (Fla. 2002)

<i>Postrenga v. Tanner</i> , 903 So.2d 219 (Fla. 5 <sup>th</sup> DCA 2005)
<i>Spitale v. Smith</i> , 721 So.2d 341 (Fla. 2d DCA 1998)
<i>Syvrud v. Today Real Estate, Inc.</i> , 858 So.2d 1125 (Fla. 2d DCA 2003)
<b>Default</b>
<i>Brecker v. Furman</i> , 508 So.2d 514 (Fla. 4 <sup>th</sup> DCA 1987)
<i>Craigside, LLC v. GDC View, LLC</i> , 74 So. 3d 1087 (Fla. 1 <sup>st</sup> DCA 2011)
<i>Hackett v. J.R.L. Dev., Inc.</i> , 566 So.2d 601 (Fla. 2d DCA 1990)
<i>Hot Developers, Inc. v. Willow Lake Estates, Inc.</i> , 950 So.2d 537 (Fla. 4 <sup>th</sup> DCA 2007)
<i>Lefemine v. Baron</i> , 573 So.2d 326 (Fla. 1991)
<i>Outrigger Resort Corp. v. L&amp;E Corp.</i> , 611 So.2d 1358 (Fla. 4 <sup>th</sup> DCA 1993)
<i>Pakalski v. CFC Pasadena Golf, LLC</i> , 42 So.3d 869 (Fla. 2d DCA 2010)
<b>Attorney's Fees And Costs</b>
<i>Leo v. MacLeod</i> , 752 So.2d 627 (Fla. 2d DCA 2000)
<i>Tarr v. Honea</i> , 959 So.2d 780 (Fla. 4 <sup>th</sup> DCA 2007)
<b>Time</b>
<i>Adrian Developers Corp. v. de la Fuente</i> , 905 So.2d 155 (Fla. 3d DCA 2004)
<i>Denton v. Good Way Oil 902 Corp.</i> , 48 So.3d 103 (Fla. 4 <sup>th</sup> DCA 2010)

<i>Legacy Place Apartment Homes, LLC v. PGA Gateway, Ltd.</i> , 65 So.3d 644 (Fla. 4 <sup>th</sup> DCA 2011)
<i>Metro Dev. Group, LLC v. 3D-C&amp;C, Inc.</i> , 941 So.2d 11 (Fla. 2d DCA 2006)
<i>Miami Child’s World, Inc. v. City of Miami Beach</i> , 688 So.2d 942 (Fla. 3d DCA 1997)
<b>Risk Of Loss</b>
<i>O’Neal v. Commercial Assurance Co. of America</i> 263 So.2d 246 (Fla. 3d DCA 1972)
<b>Integration and Modification</b>
<i>Bradley v. Sanchez</i> , 943 So.2d 218 (Fla. 3d DCA 2006)
<i>Henley v. MacDonald</i> , 971 So.2d 998 (Fla. 4 <sup>th</sup> DCA 2008)
<i>King v. Bray</i> , 867 So.2d 1224 (Fla. 5 <sup>th</sup> DCA 2004)
<b>Representations And Warranties To Survive Closing</b>
<i>Rubell v. Finkelstein</i> , 679 So.2d 889 (Fla. 3d DCA 1996)
<b>Ethical Considerations</b>
<i>Florida Bar v. Belleville</i> , 591 So.2d 170 (Fla. 1991)
<b>United States Code Annotated and Code of Federal Regulations</b>
5 U.S.C. § 6103 Holidays
15 U.S.C. §2686 Lead hazard information pamphlet
16 C.F.R. § 460.1 Home insulation labels

16 C.F.R. § 460.16 What new home sellers must tell new home buyers
24 C.F.R. §35.90 Opportunity to conduct an evaluation
24 C.F.R. § 35.92 Certification and acknowledgment of disclosure
26 U.S.C. § 1445 Withholding of tax on dispositions of United States real property interests
42 U.S.C. § 3605 Discrimination in residential real estate- related transactions
42 U.S.C. § 3607 Religious organization or private club exemption
42 U.S.C. § 4012a Flood insurance purchase and compliance requirements and escrow accounts
42 U.S.C. § 4852d Disclosure of information concerning lead upon transfer of residential property
<b>Florida Statutes</b>
Sec. 161.57, F.S. Coastal properties disclosure statement
Sec. 404.056, F.S. Environmental radiation standards and projects; certification of persons performing measurement or mitigation services; mandatory testing; notification on real estate documents; rules
Sec. 475, F.S. Real estate brokers, sales associates, schools, and appraisers
Sec. 553.996, F.S. Energy-efficiency information provided by building energy-efficiency rating systems providers
Sec. 627.7841, F.S. Insurance against adverse matters or defects in the title
Sec. 627.7842, F.S. Policy exceptions
Sec. 668.004, F.S. Force and effect of electronic signature
Sec. 674.215, F.S. Final payment of item by payor bank; when provisional debits and credits become final; when certain credits become available for withdrawal

Sec. 689.15, F.S. Estates by survivorship
Sec. 689.19, F.S. Variances of names in recorded instruments
Sec. 689.25, F.S. Failure to disclose homicide, suicide, deaths, or diagnosis of HIV or AIDS infection in an occupant of real property
Sec. 689.27, F.S. Termination by servicemember of agreement to purchase real property
Sec. 718.503, F.S. Developer disclosure prior to sale; nondeveloper unit owner disclosure prior to sale; voidability
Sec. 720.401, F.S. Prospective purchasers subject to association membership requirement; disclosure required; covenants; assessments; contract cancellation
Sec. 725.01, F.S. Promise to pay another's debt, etc.
<b>Florida Ethics Opinions</b>
FL Eth. Op. 02-6 2003 WL 22347984 (Fla. St. Bar Assn.) (March 7, 2003)
FL Eth. Op. 97-2 WL 461088 (Fla. St. Bar Assn.) (May 1, 1997)
<b>Related Resources</b>
<b>Florida Ethics Rules</b>
Fla. R. of Prof'l Conduct 4-1.7 Conflict of interest; current clients
Fla. R. of Prof'l Conduct 4-4.3 Dealing with unrepresented persons
Fla. R. Regulating Trust Accounts 5.1-1 Trust Accounts
Fla. R. Regulating Trust Accounts 5.1-2 Trust Accounting Records and Procedures



Sec. 689.15, F.S. Estates by survivorship
Sec. 689.19, F.S. Variances of names in recorded instruments
Sec. 689.25, F.S. Failure to disclose homicide, suicide, deaths, or diagnosis of HIV or AIDS infection in an occupant of real property
Sec. 689.27, F.S. Termination by servicemember of agreement to purchase real property
Sec. 718.503, F.S. Developer disclosure prior to sale; nondeveloper unit owner disclosure prior to sale; voidability
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Fla. R. of Prof'l Conduct 4-4.3 Dealing with unrepresented persons
Fla. R. Regulating Trust Accounts 5.1-1 Trust Accounts
Fla. R. Regulating Trust Accounts 5.1-2 Trust Accounting Records and Procedures

# Abbreviated Summary of Changes to the FR/Bar Contract

## FR/Bar 6: Effective November 1, 2021 Main Paragraphs

Para. 1 Personal property:

- In:
  - Thermostats
  - Doorbells
  - TV wall mounts
  - Mailbox keys
  - Storm protection “items” and hardware
- Out: Intercoms

Para. 4 – Closing defined as when funds Collected (as defined in Standard S.) and all closing docs delivered

Para. 5 – CFPB hold 7 (not 10) days; extension automatic only if Loan approved and lender underwriting complete

Para. 7 – Defaults to unassignable if no box checked

Para. 8 – Cash deal language simplified; Lender appraisals part of Loan Approval; Rider V means Loan Approval not good until Buyer’s other property sold; Seller must request Loan Approval status in writing; Buyer has until end of Loan Approval to advise Seller of approval; Buyer gets deposit back on notifying Seller no Loan Approval if

not otherwise in default; If Buyer silent on Loan Approval, deal proceeds as if “cash deal;” Buyer not excused if lender appraisal not completed w/in Loan Approval period

Para. 9 – Seller pays FIRPTA costs; Seller must provide prior policy; “Miami” box now says Buyer picks title agent; Buyer survey due 5 days before Closing Date; Sec. 189 special district liens now prorated in Standard K.

Para. 10 – Seller need not disclose permits disposed of through Sec. 553.79 F.S.

Para. 12 – (Repair contract) watercraft (but not lifts/equipment) deleted from property maintenance

## **Title Standards**

- F. Time – Based on property location; public holiday extends deadline to next calendar day. No “5 pm.”
- G. Force Majeure – Rights and obligations now may be excused
  - Adds civil unrest, epidemics/pandemics, government actions, mandates, and shutdowns
- I. Closing Location – FinCen GTO now references “OBLIGATION” to provide
- K. Prorations – Added Sec. 189 special district assessments (excluded from Para. 9)
- O. Delivery – In-person, mail, email or fax only

## **Riders**

- E. VA defined. Repair limit applies to all provisions of contract
- I. (Repair contract) Mold inspection. Buyer has an out if costs exceed \_\_\_\_\_
- T. “Pre-closing agreement” instead of “written lease”
- U. “Post-closing agreement” instead of “written lease”
- V. Must give Seller copy of Buyer’s sale contract with names obliterated. Made part of “Loan Approval” in Para. 8
- W. Backup contract: Seller requirement to give notice of 1<sup>st</sup> contract termination no longer references “5 pm”
- DD. (new) Seller post-closing vacation rentals yes/no. With/without Buyer approval
- EE. (new) PACE lien disclosure. Notes most lenders require release/payoff



# Residential Contract For Sale And Purchase

THIS FORM HAS BEEN APPROVED BY THE FLORIDA REALTORS AND THE FLORIDA BAR

1 \* **PARTIES:** \_\_\_\_\_ ("Seller"),  
2 \* and \_\_\_\_\_ ("Buyer"),  
3 agree that Seller shall sell and Buyer shall buy the following described Real Property and Personal Property  
4 (collectively "Property") pursuant to the terms and conditions of this Residential Contract For Sale And Purchase and  
5 any riders and addenda ("Contract"):  
6

## 1. PROPERTY DESCRIPTION:

7 \* (a) Street address, city, zip: \_\_\_\_\_  
8 \* (b) Located in: \_\_\_\_\_ County, Florida. Property Tax ID #: \_\_\_\_\_  
9 \* (c) Real Property: The legal description is \_\_\_\_\_  
10 \_\_\_\_\_  
11 \_\_\_\_\_

12 together with all existing improvements and fixtures, including built-in appliances, built-in furnishings and  
13 attached wall-to-wall carpeting and flooring ("Real Property") unless specifically excluded in Paragraph 1(e) or  
14 by other terms of this Contract.

15 (d) Personal Property: Unless excluded in Paragraph 1(e) or by other terms of this Contract, the following items  
16 which are owned by Seller and existing on the Property as of the date of the initial offer are included in the  
17 purchase: range(s)/oven(s), refrigerator(s), dishwasher(s), disposal, ceiling fan(s), light fixture(s), drapery rods  
18 and draperies, blinds, window treatments, smoke detector(s), garage door opener(s), thermostat(s), doorbell(s),  
19 television wall mount(s) and television mounting hardware, security gate and other access devices, mailbox  
20 keys, and storm shutters/storm protection items and hardware ("Personal Property").  
21 \* Other Personal Property items included in this purchase are: \_\_\_\_\_  
22 \_\_\_\_\_

23 Personal Property is included in the Purchase Price, has no contributory value, and shall be left for the Buyer.

24 \* (e) The following items are excluded from the purchase: \_\_\_\_\_  
25 \_\_\_\_\_

## PURCHASE PRICE AND CLOSING

26  
27 \* **2. PURCHASE PRICE** (U.S. currency):.....\$ \_\_\_\_\_

28 \* (a) Initial deposit to be held in escrow in the amount of **(checks subject to Collection)** .....\$ \_\_\_\_\_

29 The initial deposit made payable and delivered to "Escrow Agent" named below  
30 \* **(CHECK ONE):** (i)  accompanies offer or (ii)  is to be made within \_\_\_\_\_ (if left  
31 blank, then 3) days after Effective Date. IF NEITHER BOX IS CHECKED, THEN  
32 OPTION (ii) SHALL BE DEEMED SELECTED.

33 \* Escrow Agent Name: \_\_\_\_\_

34 \* Address: \_\_\_\_\_ Phone: \_\_\_\_\_

35 \* Email: \_\_\_\_\_ Fax: \_\_\_\_\_

36 \* (b) Additional deposit to be delivered to Escrow Agent within \_\_\_\_\_ (if left blank, then 10)  
37 \* days after Effective Date .....\$ \_\_\_\_\_

38 (All deposits paid or agreed to be paid, are collectively referred to as the "Deposit")

39 \* (c) Financing: Express as a dollar amount or percentage ("Loan Amount") see Paragraph 8.....\$ \_\_\_\_\_

40 \* (d) Other: \_\_\_\_\_ \$ \_\_\_\_\_

41 (e) Balance to close (not including Buyer's closing costs, prepaids and prorations) by wire  
42 \* transfer or other Collected funds (See STANDARD S).....\$ \_\_\_\_\_

## 3. TIME FOR ACCEPTANCE OF OFFER AND COUNTER-OFFERS; EFFECTIVE DATE:

43  
44 (a) If not signed by Buyer and Seller, and an executed copy delivered to all parties on or before  
45 \* \_\_\_\_\_, this offer shall be deemed withdrawn and the Deposit, if any, shall be returned  
46 to Buyer. Unless otherwise stated, time for acceptance of any counter-offers shall be within 2 days after the day  
47 the counter-offer is delivered.

48 (b) The effective date of this Contract shall be the date when the last one of the Buyer and Seller has signed or  
49 initialed and delivered this offer or final counter-offer ("Effective Date").

50 **4. CLOSING; CLOSING DATE:** The closing of this transaction shall occur when all funds required for closing are  
51 received by Closing Agent and Collected pursuant to STANDARD S and all closing documents required to be  
52 furnished by each party pursuant to this Contract are delivered ("Closing"). Unless modified by other provisions of

53 \* this Contract, the Closing shall occur on \_\_\_\_\_ (“Closing Date”), at the time  
54 established by the Closing Agent.

55 **5. EXTENSION OF CLOSING DATE:**

56 (a) In the event Closing funds from Buyer’s lender(s) are not available on Closing Date due to Consumer Financial  
57 Protection Bureau Closing Disclosure delivery requirements (“CFPB Requirements”), if Paragraph 8(b) is  
58 checked, Loan Approval has been obtained, and lender’s underwriting is complete, then Closing Date shall be  
59 extended for such period necessary to satisfy CFPB Requirements, provided such period shall not exceed 7  
60 days.

61 (b) If an event constituting “Force Majeure” causes services essential for Closing to be unavailable, including the  
62 unavailability of utilities or issuance of hazard, wind, flood or homeowners’ insurance, Closing Date shall be  
63 extended as provided in STANDARD G.

64 **6. OCCUPANCY AND POSSESSION:**

65 (a) Unless Paragraph 6(b) is checked, Seller shall, at Closing, deliver occupancy and possession of the Property  
66 to Buyer free of tenants, occupants and future tenancies. Also, at Closing, Seller shall have removed all  
67 personal items and trash from the Property and shall deliver all keys, garage door openers, access devices and  
68 codes, as applicable, to Buyer. If occupancy is to be delivered before Closing, Buyer assumes all risks of loss  
69 to the Property from date of occupancy, shall be responsible and liable for maintenance from that date, and  
70 shall have accepted the Property in its existing condition as of time of taking occupancy (see Rider T PRE-  
71 CLOSING OCCUPANCY BY BUYER), except with respect to any items identified by Buyer pursuant to  
72 Paragraph 12, prior to taking occupancy, which require repair, replacement, treatment or remedy.

73 \* (b)  **CHECK IF PROPERTY IS SUBJECT TO LEASE(S) OR OCCUPANCY AFTER CLOSING.** If Property is  
74 subject to a lease(s) or any occupancy agreements (including seasonal and short-term vacation rentals) after  
75 Closing or is intended to be rented or occupied by third parties beyond Closing, the facts and terms thereof  
76 shall be disclosed in writing by Seller to Buyer and copies of the written lease(s) shall be delivered to Buyer, all  
77 within 5 days after Effective Date. If Buyer determines, in Buyer’s sole discretion, that the lease(s) or terms of  
78 occupancy are not acceptable to Buyer, Buyer may terminate this Contract by delivery of written notice of such  
79 election to Seller within 5 days after receipt of the above items from Seller, and Buyer shall be refunded the  
80 Deposit thereby releasing Buyer and Seller from all further obligations under this Contract. Estoppel Letter(s)  
81 and Seller’s affidavit shall be provided pursuant to STANDARD D, except that tenant Estoppel Letters shall not  
82 be required on seasonal or short-term vacation rentals. If Property is intended to be occupied by Seller after  
83 Closing, see Rider U POST-CLOSING OCCUPANCY BY SELLER.

84 \* **7. ASSIGNABILITY: (CHECK ONE):** Buyer  may assign and thereby be released from any further liability under  
85 \* this Contract;  may assign but not be released from liability under this Contract; or  may not assign this Contract.  
86 IF NO BOX IS CHECKED, THEN BUYER MAY NOT ASSIGN THIS CONTRACT.

87 **FINANCING**

88 **8. FINANCING:**

89 \*  (a) This is a cash transaction with no financing contingency.

90 \*  (b) This Contract is contingent upon, within \_\_\_\_\_ (if left blank, then 30) days after Effective Date (“Loan Approval  
91 \* Period”): (1) Buyer obtaining approval of a  conventional  FHA  VA or  other \_\_\_\_\_ (describe)  
92 \* mortgage loan for purchase of the Property for a (**CHECK ONE**):  fixed,  adjustable,  fixed or adjustable rate  
93 \* in the Loan Amount (See Paragraph 2(c)), at an initial interest rate not to exceed \_\_\_\_\_ % (if left blank, then  
94 \* prevailing rate based upon Buyer’s creditworthiness), and for a term of \_\_\_\_\_ (if left blank, then 30) years  
95 \* (“Financing”); and (2) Buyer’s mortgage broker or lender having received an appraisal or alternative valuation of the  
96 Property satisfactory to lender, if either is required by lender, which is sufficient to meet the terms required for lender  
97 to provide Financing for Buyer and proceed to Closing (“Appraisal”).

98 \* (i) Buyer shall make application for Financing within \_\_\_\_\_ (if left blank, then 5) days after Effective Date  
99 and use good faith and diligent effort to obtain approval of a loan meeting the Financing and Appraisal terms of  
100 Paragraph 8(b)(1) and (2), above, (“Loan Approval”) within the Loan Approval Period and, thereafter, to close this  
101 Contract. Loan Approval which requires Buyer to sell other real property shall not be considered Loan Approval  
102 unless Rider V is attached.

103 Buyer’s failure to use good faith and diligent effort to obtain Loan Approval during the Loan Approval Period shall  
104 be considered a default under the terms of this Contract. For purposes of this provision, “diligent effort” includes,  
105 but is not limited to, timely furnishing all documents and information required by Buyer’s mortgage broker and lender  
106 and paying for Appraisal and other fees and charges in connection with Buyer’s application for Financing.

107 (ii) Buyer shall, upon written request, keep Seller and Broker fully informed about the status of Buyer’s  
108 mortgage loan application, loan processing, appraisal, and Loan Approval, including any Property related conditions

of Loan Approval. Buyer authorizes Buyer's mortgage broker, lender, and Closing Agent to disclose such status and progress and release preliminary and finally executed closing disclosures and settlement statements, as appropriate and allowed, to Seller and Broker.

(iii) If within the Loan Approval Period, Buyer obtains Loan Approval, Buyer shall notify Seller of same in writing prior to expiration of the Loan Approval Period; or, if Buyer is unable to obtain Loan Approval within the Loan Approval Period but Buyer is satisfied with Buyer's ability to obtain Loan Approval and proceed to Closing, Buyer shall deliver written notice to Seller confirming same, prior to the expiration of the Loan Approval Period.

(iv) If Buyer is unable to obtain Loan Approval within the Loan Approval Period, or cannot timely meet the terms of Loan Approval, all after the exercise of good faith and diligent effort, Buyer may terminate this Contract by delivering written notice of termination to Seller prior to expiration of the Loan Approval Period; whereupon, provided Buyer is not in default under the terms of this Contract, Buyer shall be refunded the Deposit thereby releasing Buyer and Seller from all further obligations under this Contract.

(v) If Buyer fails to timely deliver any written notice provided for in Paragraph 8(b)(iii) or (iv), above, to Seller prior to expiration of the Loan Approval Period, then Buyer shall proceed forward with this Contract as though Paragraph 8(a), above, had been checked as of the Effective Date; provided, however, Seller may elect to terminate this Contract by delivering written notice of termination to Buyer within 3 days after expiration of the Loan Approval Period and, provided Buyer is not in default under the terms of this Contract, Buyer shall be refunded the Deposit thereby releasing Buyer and Seller from all further obligations under this Contract.

(vi) If Buyer has timely provided either written notice provided for in Paragraph 8(b)(iii), above, and Buyer thereafter fails to close this Contract, the Deposit shall be paid to Seller unless failure to close is due to: (1) Seller's default or inability to satisfy other contingencies of this Contract; or (2) Property related conditions of the Loan Approval (specifically excluding the Appraisal valuation) have not been met unless such conditions are waived by other provisions of this Contract; in which event(s) the Buyer shall be refunded the Deposit, thereby releasing Buyer and Seller from all further obligations under this Contract.

(c) Assumption of existing mortgage (see Rider D for terms).

(d) Purchase money note and mortgage to Seller (see Rider C for terms).

### CLOSING COSTS, FEES AND CHARGES

#### 9. CLOSING COSTS; TITLE INSURANCE; SURVEY; HOME WARRANTY; SPECIAL ASSESSMENTS:

##### (a) COSTS TO BE PAID BY SELLER:

- Documentary stamp taxes and surtax on deed, if any
- Owner's Policy and Charges (if Paragraph 9(c)(i) is checked)
- Title search charges (if Paragraph 9(c)(iii) is checked)
- Municipal lien search (if Paragraph 9(c)(i) or (iii) is checked)
- Charges for FIRPTA withholding and reporting
- HOA/Condominium Association estoppel fees
- Recording and other fees needed to cure title
- Seller's attorneys' fees
- Other: \_\_\_\_\_

Seller shall pay the following amounts/percentages of the Purchase Price for the following costs and expenses:

(i) up to \$ \_\_\_\_\_ or \_\_\_\_\_ % (1.5% if left blank) for General Repair Items ("General Repair Limit"); and

(ii) up to \$ \_\_\_\_\_ or \_\_\_\_\_ % (1.5% if left blank) for WDO treatment and repairs ("WDO Repair Limit"); and

(iii) up to \$ \_\_\_\_\_ or \_\_\_\_\_ % (1.5% if left blank) for costs associated with closing out open or expired building permits and obtaining required building permits for any existing improvement for which a permit was not obtained ("Permit Limit").

If, prior to Closing, Seller is unable to meet the Maintenance Requirement as required by Paragraph 11 or the repairs, replacements, treatments or permitting as required by Paragraph 12, then sums equal to 125% of estimated costs to complete the applicable item(s) (but not in excess of applicable General Repair, WDO Repair, and Permit Limits set forth above, if any) shall be escrowed at Closing. If actual costs of Maintenance Requirement or required repairs, replacements, treatment or permitting exceed applicable escrowed amounts, Seller shall pay such actual costs (but not in excess of applicable General Repair, WDO Repair, and Permit Limits set forth above). Any unused portion of escrowed amount(s) shall be returned to Seller.

**[The remainder of this page is intentionally left blank.  
This Contract continues with Paragraph 9(b) on Page 4 of 14.]**

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**(b) COSTS TO BE PAID BY BUYER:**

- Taxes and recording fees on notes and mortgages
- Recording fees for deed and financing statements
- Owner's Policy and Charges (if Paragraph 9(c)(ii) is checked)
- Survey (and elevation certification, if required)
- Lender's title policy and endorsements
- HOA/Condominium Association application/transfer fees
- Municipal lien search (if Paragraph 9(c)(ii) is checked)
- Other: \_\_\_\_\_
- Loan expenses
- Appraisal fees
- Buyer's Inspections
- Buyer's attorneys' fees
- All property related insurance
- Owner's Policy Premium (if Paragraph 9(c)(iii) is checked)

**(c) TITLE EVIDENCE AND INSURANCE:** At least \_\_\_\_\_ (if left blank, then 15, or if Paragraph 8(a) is checked, then 5) days prior to Closing Date ("Title Evidence Deadline"), a title insurance commitment issued by a Florida licensed title insurer, with legible copies of instruments listed as exceptions attached thereto ("Title Commitment") and, after Closing, an owner's policy of title insurance (see STANDARD A for terms) shall be obtained and delivered to Buyer. If Seller has an owner's policy of title insurance covering the Real Property, Seller shall furnish a copy to Buyer and Closing Agent within 5 days after Effective Date. The owner's title policy premium, title search and closing services (collectively, "Owner's Policy and Charges") shall be paid, as set forth below. The title insurance premium charges for the owner's policy and any lender's policy will be calculated and allocated in accordance with Florida law, but may be reported differently on certain federally mandated closing disclosures and other closing documents. For purposes of this Contract "municipal lien search" means a search of records necessary for the owner's policy of title insurance to be issued without exception for unrecorded liens imposed pursuant to Chapters 153, 159 or 170, F.S., in favor of any governmental body, authority or agency.

**(CHECK ONE):**

- (i) Seller shall designate Closing Agent and pay for Owner's Policy and Charges, and Buyer shall pay the premium for Buyer's lender's policy and charges for closing services related to the lender's policy, endorsements and loan closing, which amounts shall be paid by Buyer to Closing Agent or such other provider(s) as Buyer may select; or
- (ii) Buyer shall designate Closing Agent and pay for Owner's Policy and Charges and charges for closing services related to Buyer's lender's policy, endorsements and loan closing; or
- (iii) **[MIAMI-DADE/BROWARD REGIONAL PROVISION]:** Buyer shall designate Closing Agent. Seller shall furnish a copy of a prior owner's policy of title insurance or other evidence of title and pay fees for: (A) a continuation or update of such title evidence, which is acceptable to Buyer's title insurance underwriter for reissue of coverage; (B) tax search; and (C) municipal lien search. Buyer shall obtain and pay for post-Closing continuation and premium for Buyer's owner's policy, and if applicable, Buyer's lender's policy. Seller shall not be obligated to pay more than \$\_\_\_\_\_ (if left blank, then \$200.00) for abstract continuation or title search ordered or performed by Closing Agent.

**(d) SURVEY:** At least 5 days prior to Closing Date, Buyer may, at Buyer's expense, have the Real Property surveyed and certified by a registered Florida surveyor ("Survey"). If Seller has a survey covering the Real Property, a copy shall be furnished to Buyer and Closing Agent within 5 days after Effective Date.

**(e) HOME WARRANTY:** At Closing,  Buyer  Seller  N/A shall pay for a home warranty plan issued by \_\_\_\_\_ at a cost not to exceed \$\_\_\_\_\_. A home warranty plan provides for repair or replacement of many of a home's mechanical systems and major built-in appliances in the event of breakdown due to normal wear and tear during the agreement's warranty period.

**(f) SPECIAL ASSESSMENTS:** At Closing, Seller shall pay: (i) the full amount of liens imposed by a public body ("public body" does not include a Condominium or Homeowner's Association) that are certified, confirmed and ratified before Closing; and (ii) the amount of the public body's most recent estimate or assessment for an improvement which is substantially complete as of Effective Date, but that has not resulted in a lien being imposed on the Property before Closing. Buyer shall pay all other assessments. If special assessments may be paid in installments **(CHECK ONE):**

- (a) Seller shall pay installments due prior to Closing and Buyer shall pay installments due after Closing. Installments prepaid or due for the year of Closing shall be prorated.
- (b) Seller shall pay, in full, prior to or at the time of Closing, any assessment(s) allowed by the public body to be prepaid. For any assessment(s) which the public body does not allow prepayment, OPTION (a) shall be deemed selected for such assessment(s).

IF NEITHER BOX IS CHECKED, THEN OPTION (a) SHALL BE DEEMED SELECTED.  
This Paragraph 9(f) shall not apply to a special benefit tax lien imposed by a community development district (CDD) pursuant to Chapter 190, F.S., or special assessment(s) imposed by a special district pursuant to Chapter 189, F.S., which lien(s) or assessment(s) shall be prorated pursuant to STANDARD K.



DISCLOSURES

10. DISCLOSURES:

- (a) **RADON GAS:** Radon is a naturally occurring radioactive gas that, when it is accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county health department.
- (b) **PERMITS DISCLOSURE:** Except as may have been disclosed by Seller to Buyer in a written disclosure, Seller does not know of any improvements made to the Property which were made without required permits or made pursuant to permits which have not been properly closed or otherwise disposed of pursuant to Section 553.79, F.S. If Seller identifies permits which have not been closed or improvements which were not permitted, then Seller shall promptly deliver to Buyer all plans, written documentation or other information in Seller's possession, knowledge, or control relating to improvements to the Property which are the subject of such open permits or unpermitted improvements.
- (c) **MOLD:** Mold is naturally occurring and may cause health risks or damage to property. If Buyer is concerned or desires additional information regarding mold, Buyer should contact an appropriate professional. See Rider I MOLD INSPECTION.
- (d) **FLOOD ZONE; ELEVATION CERTIFICATION:** Buyer is advised to verify by elevation certificate which flood zone the Property is in, whether flood insurance is required by Buyer's lender, and what restrictions apply to improving the Property and rebuilding in the event of casualty. If Property is in a "Special Flood Hazard Area" or "Coastal Barrier Resources Act" designated area or otherwise protected area identified by the U.S. Fish and Wildlife Service under the Coastal Barrier Resources Act and the lowest floor elevation for the building(s) and/or flood insurance rating purposes is below minimum flood elevation or is ineligible for flood insurance coverage through the National Flood Insurance Program or private flood insurance as defined in 42 U.S.C. §4012a, Buyer may terminate this Contract by delivering written notice to Seller within \_\_\_\_\_ (if left blank, then 20) days after Effective Date, and Buyer shall be refunded the Deposit thereby releasing Buyer and Seller from all further obligations under this Contract, failing which Buyer accepts existing elevation of buildings and flood zone designation of Property.
- (e) **ENERGY BROCHURE:** Buyer acknowledges receipt of Florida Energy-Efficiency Rating Information Brochure required by Section 553.996, F.S.
- (f) **LEAD-BASED PAINT:** If Property includes pre-1978 residential housing, a lead-based paint disclosure is mandatory.
- (g) **HOMEOWNERS' ASSOCIATION/COMMUNITY DISCLOSURE: BUYER SHOULD NOT EXECUTE THIS CONTRACT UNTIL BUYER HAS RECEIVED AND READ THE HOMEOWNERS' ASSOCIATION/COMMUNITY DISCLOSURE, IF APPLICABLE.**
- (h) **PROPERTY TAX DISCLOSURE SUMMARY: BUYER SHOULD NOT RELY ON THE SELLER'S CURRENT PROPERTY TAXES AS THE AMOUNT OF PROPERTY TAXES THAT THE BUYER MAY BE OBLIGATED TO PAY IN THE YEAR SUBSEQUENT TO PURCHASE. A CHANGE OF OWNERSHIP OR PROPERTY IMPROVEMENTS TRIGGERS REASSESSMENTS OF THE PROPERTY THAT COULD RESULT IN HIGHER PROPERTY TAXES. IF YOU HAVE ANY QUESTIONS CONCERNING VALUATION, CONTACT THE COUNTY PROPERTY APPRAISER'S OFFICE FOR INFORMATION.**
- (i) **FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT ("FIRPTA"):** Seller shall inform Buyer in writing if Seller is a "foreign person" as defined by the Foreign Investment in Real Property Tax Act ("FIRPTA"). Buyer and Seller shall comply with FIRPTA, which may require Seller to provide additional cash at Closing. If Seller is not a "foreign person", Seller can provide Buyer, at or prior to Closing, a certification of non-foreign status, under penalties of perjury, to inform Buyer and Closing Agent that no withholding is required. See STANDARD V for further information pertaining to FIRPTA. Buyer and Seller are advised to seek legal counsel and tax advice regarding their respective rights, obligations, reporting and withholding requirements pursuant to FIRPTA.
- (j) **SELLER DISCLOSURE:** Seller knows of no facts materially affecting the value of the Real Property which are not readily observable and which have not been disclosed to Buyer. Except as otherwise disclosed in writing Seller has received no written or verbal notice from any governmental entity or agency as to a currently uncorrected building, environmental or safety code violation.

PROPERTY MAINTENANCE, CONDITION, INSPECTIONS AND EXAMINATIONS

- 11. **PROPERTY MAINTENANCE:** Except for ordinary wear and tear and Casualty Loss, and those repairs, replacements or treatments required to be made by this Contract, Seller shall maintain the Property, including, but

not limited to, lawn, shrubbery, and pool, in the condition existing as of Effective Date ("Maintenance Requirement"). See Paragraph 9(a) for escrow procedures, if applicable.

**12. PROPERTY INSPECTION AND REPAIR:**

(a) **INSPECTION PERIOD:** Buyer shall have \_\_\_\_\_ (if left blank, then 15) days after Effective Date ("Inspection Period"), within which Buyer may, at Buyer's expense, conduct "General", "WDO", and "Permit" Inspections as described below. If Buyer fails to timely deliver to Seller a written notice or report required by (b), (c), or (d) below, then, except for Seller's continuing Maintenance Requirement, Buyer shall have waived Seller's obligation(s) to repair, replace, treat or remedy the matters not inspected and timely reported. If this Contract does not close, Buyer shall repair all damage to Property resulting from Buyer's inspections, return Property to its pre-inspection condition and provide Seller with paid receipts for all work done on Property upon its completion.

(b) **GENERAL PROPERTY INSPECTION AND REPAIR:**

(i) **General Inspection:** Those items specified in Paragraph 12(b) (ii) below, which Seller is obligated to repair or replace ("General Repair Items") may be inspected ("General Inspection") by a person who specializes in and holds an occupational license (if required by law) to conduct home inspections or who holds a Florida license to repair and maintain the items inspected ("Professional Inspector"). Buyer shall, within the Inspection Period, inform Seller of any General Repair Items that are not in the condition required by (b)(ii) below by delivering to Seller a written notice and upon written request by Seller a copy of the portion of Professional Inspector's written report dealing with such items.

(ii) **Property Condition:** The following items shall be free of leaks, water damage or structural damage: ceiling, roof (including fascia and soffits), exterior and interior walls, doors, windows, and foundation. The above items together with pool, pool equipment, non-leased major appliances, heating, cooling, mechanical, electrical, security, sprinkler, septic, and plumbing systems and machinery, seawalls, dockage, watercraft lift(s) and related equipment, are, and shall be maintained until Closing, in "Working Condition" (defined below). Torn screens (including pool and patio screens), fogged windows, and missing roof tiles or shingles shall be repaired or replaced by Seller prior to Closing. Seller is not required to repair or replace "Cosmetic Conditions" (defined below), unless the Cosmetic Conditions resulted from a defect in an item Seller is obligated to repair or replace. "Working Condition" means operating in the manner in which the item was designed to operate. "Cosmetic Conditions" means aesthetic imperfections that do not affect Working Condition of the item, including, but not limited to: pitted marcite; tears, worn spots and discoloration of floor coverings, wallpapers, or window treatments; nail holes, scrapes, scratches, dents, chips or caulking in ceilings, walls, flooring, tile, fixtures, or mirrors; and minor cracks in walls, floor tiles, windows, driveways, sidewalks, pool decks, and garage and patio floors. Cracked roof tiles, curling or worn shingles, or limited roof life shall not be considered defects Seller must repair or replace, so long as there is no evidence of actual leaks, leakage or structural damage.

(iii) **General Property Repairs:** Seller is only obligated to make such general repairs as are necessary to bring items into the condition specified in Paragraph 12(b) (ii) above. Seller shall within 10 days after receipt of Buyer's written notice or General Inspection report, either have the reported repairs to General Repair Items completed at Seller's expense, or have repairs estimated by an appropriately licensed person and a copy delivered to Buyer, or have a second inspection made by a Professional Inspector and provide a copy of such report and estimates of repairs to Buyer. If Buyer's and Seller's inspection reports differ and the parties cannot resolve the differences, Buyer and Seller together shall choose, and equally split the cost of, a third Professional Inspector, whose written report shall be binding on the parties.

If cost to repair General Repair Items equals or is less than the General Repair Limit, Seller shall have repairs made in accordance with Paragraph 12(f). If cost to repair General Repair Items exceeds the General Repair Limit, then within 5 days after a party's receipt of the last estimate: (A) Seller may elect to pay the excess by delivering written notice to Buyer, or (B) Buyer may deliver written notice to Seller designating which repairs of General Repair Items Seller shall make (at a total cost to Seller not exceeding the General Repair Limit) and agreeing to accept the balance of General Repair Items in their "as is" condition, subject to Seller's continuing Maintenance Requirement. If neither party delivers such written notice to the other, then either party may terminate this Contract and Buyer shall be refunded the Deposit, thereby releasing Buyer and Seller from all further obligations under this Contract.

(c) **WOOD DESTROYING ORGANISM ("WDO") INSPECTION AND REPAIR:**

(i) **WDO Inspection:** The Property may be inspected by a Florida-licensed pest control business ("WDO Inspector") to determine the existence of past or present WDO infestation and damage caused by infestation ("WDO Inspection"). Buyer shall, within the Inspection Period, deliver a copy of the WDO Inspector's written report to Seller if any evidence of WDO infestation or damage is found. "Wood Destroying Organism" ("WDO") means arthropod or plant life, including termites, powder-post beetles, oldhouse borers and wood-decaying fungi, that damages or infests seasoned wood in a structure, excluding fences.

333 (ii) **WDO Repairs:** If Seller previously treated the Property for the type of WDO found by Buyer's WDO  
334 Inspection, Seller does not have to retreat the Property if there is no visible live infestation, and Seller, at Seller's  
335 cost, transfers to Buyer at Closing a current full treatment warranty for the type of WDO found. Seller shall within  
336 10 days after receipt of Buyer's WDO Inspector's report, have reported WDO damage estimated by an  
337 appropriately licensed person, necessary corrective treatment, if any, estimated by a WDO Inspector, and a  
338 copy delivered to Buyer. Seller shall have treatments and repairs made in accordance with Paragraph 12(f)  
339 below up to the WDO Repair Limit. If cost to treat and repair the WDO infestations and damage to Property  
340 exceeds the WDO Repair Limit, then within 5 days after receipt of Seller's estimate, Buyer may deliver written  
341 notice to Seller agreeing to pay the excess, or designating which WDO repairs Seller shall make (at a total cost  
342 to Seller not exceeding the WDO Repair Limit), and accepting the balance of the Property in its "as is" condition  
343 with regard to WDO infestation and damage, subject to Seller's continuing Maintenance Requirement. If Buyer  
344 does not deliver such written notice to Seller, then either party may terminate this Contract by written notice to  
345 the other, and Buyer shall be refunded the Deposit, thereby releasing Buyer and Seller from all further  
346 obligations under this Contract.

347 (d) **INSPECTION AND CLOSE-OUT OF BUILDING PERMITS:**

348 (i) **Permit Inspection:** Buyer may have an inspection and examination of records and documents made to  
349 determine whether there exist any open or expired building permits or unpermitted improvements to the  
350 Property ("Permit Inspection"). Buyer shall, within the Inspection Period, deliver written notice to Seller of the  
351 existence of any open or expired building permits or unpermitted improvements to the Property. If Buyer's  
352 inspection of the Property identifies permits which have not been properly closed or improvements which were  
353 not permitted, then Seller shall promptly deliver to Buyer all plans, written documentation or other information  
354 in Seller's possession, knowledge, or control relating to improvements to the Property which are the subject of  
355 such open permits or unpermitted improvements.

356 (ii) **Close-Out of Building Permits:** Seller shall, within 10 days after receipt of Buyer's Permit Inspection notice,  
357 have an estimate of costs to remedy Permit Inspection items prepared by an appropriately licensed person and  
358 a copy delivered to Buyer. No later than 5 days prior to Closing Date, Seller shall, up to the Permit Limit, have  
359 open and expired building permits identified by Buyer or known to Seller closed by the applicable governmental  
360 entity, and obtain and close any required building permits for improvements to the Property. Prior to Closing  
361 Date, Seller will provide Buyer with any written documentation that all open and expired building permits  
362 identified by Buyer or known to Seller have been closed out and that Seller has obtained and closed required  
363 building permits for improvements to the Property. If final permit inspections cannot be performed due to delays  
364 by the governmental entity, Closing Date shall be extended for up to 10 days to complete such final inspections,  
365 failing which, either party may terminate this Contract, and Buyer shall be refunded the Deposit, thereby  
366 releasing Buyer and Seller from all further obligations under this Contract.

367 If cost to close open or expired building permits or to remedy any permit violation of any governmental entity  
368 exceeds Permit Limit, then within 5 days after a party's receipt of estimates of cost to remedy: (A) Seller may  
369 elect to pay the excess by delivering written notice to Buyer; or (B) Buyer may deliver written notice to Seller  
370 accepting the Property in its "as is" condition with regard to building permit status and agreeing to receive credit  
371 from Seller at Closing in the amount of Permit Limit. If neither party delivers such written notice to the other,  
372 then either party may terminate this Contract and Buyer shall be refunded the Deposit, thereby releasing Buyer  
373 and Seller from all further obligations under this Contract.

374 (e) **WALK-THROUGH INSPECTION/RE-INSPECTION:** On the day prior to Closing Date, or on Closing Date prior  
375 to time of Closing, as specified by Buyer, Buyer or Buyer's representative may perform a walk-through (and  
376 follow-up walk-through, if necessary) inspection of the Property solely to confirm that all items of Personal  
377 Property are on the Property and to verify that Seller has maintained the Property as required by the  
378 Maintenance Requirement, has made repairs and replacements required by this Contract, and has met all other  
379 contractual obligations.

380 (f) **REPAIR STANDARDS; ASSIGNMENT OF REPAIR AND TREATMENT CONTRACTS AND WARRANTIES:**  
381 All repairs and replacements shall be completed in a good and workmanlike manner by an appropriately  
382 licensed person, in accordance with all requirements of law, and shall consist of materials or items of quality,  
383 value, capacity and performance comparable to, or better than, that existing as of the Effective Date. Except as  
384 provided in Paragraph 12(c)(ii), at Buyer's option and cost, Seller will, at Closing, assign all assignable repair,  
385 treatment and maintenance contracts and warranties to Buyer.

386 **ESCROW AGENT AND BROKER**

387 **13. ESCROW AGENT:** Any Closing Agent or Escrow Agent (collectively "Agent") receiving the Deposit, other funds  
388 and other items is authorized, and agrees by acceptance of them, to deposit them promptly, hold same in escrow  
389 within the State of Florida and, subject to Collection, disburse them in accordance with terms and conditions of this

390 Contract. Failure of funds to become Collected shall not excuse Buyer's performance. When conflicting demands  
391 for the Deposit are received, or Agent has a good faith doubt as to entitlement to the Deposit, Agent may take such  
392 actions permitted by this Paragraph 13, as Agent deems advisable. If in doubt as to Agent's duties or liabilities  
393 under this Contract, Agent may, at Agent's option, continue to hold the subject matter of the escrow until the parties  
394 agree to its disbursement or until a final judgment of a court of competent jurisdiction shall determine the rights of  
395 the parties, or Agent may deposit same with the clerk of the circuit court having jurisdiction of the dispute. An  
396 attorney who represents a party and also acts as Agent may represent such party in such action. Upon notifying all  
397 parties concerned of such action, all liability on the part of Agent shall fully terminate, except to the extent of  
398 accounting for any items previously delivered out of escrow. If a licensed real estate broker, Agent will comply with  
399 provisions of Chapter 475, F.S., as amended and FREC rules to timely resolve escrow disputes through mediation,  
400 arbitration, interpleader or an escrow disbursement order.

401 In any proceeding between Buyer and Seller wherein Agent is made a party because of acting as Agent hereunder,  
402 or in any proceeding where Agent interpleads the subject matter of the escrow, Agent shall recover reasonable  
403 attorney's fees and costs incurred, to be paid pursuant to court order out of the escrowed funds or equivalent. Agent  
404 shall not be liable to any party or person for mis-delivery of any escrowed items, unless such mis-delivery is due to  
405 Agent's willful breach of this Contract or Agent's gross negligence. This Paragraph 13 shall survive Closing or  
406 termination of this Contract.

407 **14. PROFESSIONAL ADVICE; BROKER LIABILITY:** Broker advises Buyer and Seller to verify Property condition,  
408 square footage, and all other facts and representations made pursuant to this Contract and to consult appropriate  
409 professionals for legal, tax, environmental, and other specialized advice concerning matters affecting the Property  
410 and the transaction contemplated by this Contract. Broker represents to Buyer that Broker does not reside on the  
411 Property and that all representations (oral, written or otherwise) by Broker are based on Seller representations or  
412 public records. **BUYER AGREES TO RELY SOLELY ON SELLER, PROFESSIONAL INSPECTORS AND  
413 GOVERNMENTAL AGENCIES FOR VERIFICATION OF PROPERTY CONDITION, SQUARE FOOTAGE AND  
414 FACTS THAT MATERIALLY AFFECT PROPERTY VALUE AND NOT ON THE REPRESENTATIONS (ORAL,  
415 WRITTEN OR OTHERWISE) OF BROKER.** Buyer and Seller (individually, the "Indemnifying Party") each  
416 individually indemnifies, holds harmless, and releases Broker and Broker's officers, directors, agents and  
417 employees from all liability for loss or damage, including all costs and expenses, and reasonable attorney's fees at  
418 all levels, suffered or incurred by Broker and Broker's officers, directors, agents and employees in connection with  
419 or arising from claims, demands or causes of action instituted by Buyer or Seller based on: (i) inaccuracy of  
420 information provided by the Indemnifying Party or from public records; (ii) Indemnifying Party's misstatement(s) or  
421 failure to perform contractual obligations; (iii) Broker's performance, at Indemnifying Party's request, of any task  
422 beyond the scope of services regulated by Chapter 475, F.S., as amended, including Broker's referral,  
423 recommendation or retention of any vendor for, or on behalf of, Indemnifying Party; (iv) products or services  
424 provided by any such vendor for, or on behalf of, Indemnifying Party; and (v) expenses incurred by any such vendor.  
425 Buyer and Seller each assumes full responsibility for selecting and compensating their respective vendors and  
426 paying their other costs under this Contract whether or not this transaction closes. This Paragraph 14 will not relieve  
427 Broker of statutory obligations under Chapter 475, F.S., as amended. For purposes of this Paragraph 14, Broker  
428 will be treated as a party to this Contract. This Paragraph 14 shall survive Closing or termination of this Contract.

#### 429 **DEFAULT AND DISPUTE RESOLUTION**

#### 430 **15. DEFAULT:**

- 431 (a) **BUYER DEFAULT:** If Buyer fails, neglects or refuses to perform Buyer's obligations under this Contract,  
432 including payment of the Deposit, within the time(s) specified, Seller may elect to recover and retain the Deposit  
433 for the account of Seller as agreed upon liquidated damages, consideration for execution of this Contract, and  
434 in full settlement of any claims, whereupon Buyer and Seller shall be relieved from all further obligations under  
435 this Contract, or Seller, at Seller's option, may, pursuant to Paragraph 16, proceed in equity to enforce Seller's  
436 rights under this Contract. The portion of the Deposit, if any, paid to Listing Broker upon default by Buyer, shall  
437 be split equally between Listing Broker and Cooperating Broker; provided however, Cooperating Broker's share  
438 shall not be greater than the commission amount Listing Broker had agreed to pay to Cooperating Broker.
- 439 (b) **SELLER DEFAULT:** If for any reason other than failure of Seller to make Seller's title marketable after  
440 reasonable diligent effort, Seller fails, neglects or refuses to perform Seller's obligations under this Contract,  
441 Buyer may elect to receive return of Buyer's Deposit without thereby waiving any action for damages resulting  
442 from Seller's breach, and, pursuant to Paragraph 16, may seek to recover such damages or seek specific  
443 performance.

444 This Paragraph 15 shall survive Closing or termination of this Contract.

- 445 **16. DISPUTE RESOLUTION:** Unresolved controversies, claims and other matters in question between Buyer and  
446 Seller arising out of, or relating to, this Contract or its breach, enforcement or interpretation (“Dispute”) will be settled  
447 as follows:  
448 (a) Buyer and Seller will have 10 days after the date conflicting demands for the Deposit are made to attempt to  
449 resolve such Dispute, failing which, Buyer and Seller shall submit such Dispute to mediation under Paragraph  
450 16(b).  
451 (b) Buyer and Seller shall attempt to settle Disputes in an amicable manner through mediation pursuant to Florida  
452 Rules for Certified and Court-Appointed Mediators and Chapter 44, F.S., as amended (the “Mediation Rules”).  
453 The mediator must be certified or must have experience in the real estate industry. Injunctive relief may be  
454 sought without first complying with this Paragraph 16(b). Disputes not settled pursuant to this Paragraph 16  
455 may be resolved by instituting action in the appropriate court having jurisdiction of the matter. This Paragraph  
456 16 shall survive Closing or termination of this Contract.
- 457 **17. ATTORNEY’S FEES; COSTS:** The parties will split equally any mediation fee incurred in any mediation permitted  
458 by this Contract, and each party will pay their own costs, expenses and fees, including attorney’s fees, incurred in  
459 conducting the mediation. In any litigation permitted by this Contract, the prevailing party shall be entitled to recover  
460 from the non-prevailing party costs and fees, including reasonable attorney’s fees, incurred in conducting the  
461 litigation. This Paragraph 17 shall survive Closing or termination of this Contract.

### STANDARDS FOR REAL ESTATE TRANSACTIONS (“STANDARDS”)

462 **18. STANDARDS:**

463 **A. TITLE:**

464 (i) **TITLE EVIDENCE; RESTRICTIONS; EASEMENTS; LIMITATIONS:** Within the time period provided in  
465 Paragraph 9(c), the Title Commitment, with legible copies of instruments listed as exceptions attached thereto, shall  
466 be issued and delivered to Buyer. The Title Commitment shall set forth those matters to be discharged by Seller at  
467 or before Closing and shall provide that, upon recording of the deed to Buyer, an owner’s policy of title insurance  
468 in the amount of the Purchase Price, shall be issued to Buyer insuring Buyer’s marketable title to the Real Property,  
469 subject only to the following matters: (a) comprehensive land use plans, zoning, and other land use restrictions,  
470 prohibitions and requirements imposed by governmental authority; (b) restrictions and matters appearing on the  
471 Plat or otherwise common to the subdivision; (c) outstanding oil, gas and mineral rights of record without right of  
472 entry; (d) unplatted public utility easements of record (located contiguous to real property lines and not more than  
473 10 feet in width as to rear or front lines and 7 1/2 feet in width as to side lines); (e) taxes for year of Closing and  
474 subsequent years; and (f) assumed mortgages and purchase money mortgages, if any (if additional items, attach  
475 addendum); provided, that, unless waived by Paragraph 12 (a), there exists at Closing no violation of the foregoing  
476 and none prevent use of the Property for **RESIDENTIAL PURPOSES**. If there exists at Closing any violation of  
477 items identified in (b) – (f) above, then the same shall be deemed a title defect. Marketable title shall be determined  
478 according to applicable Title Standards adopted by authority of The Florida Bar and in accordance with law.

479 (ii) **TITLE EXAMINATION:** Buyer shall have 5 days after receipt of Title Commitment to examine it and notify Seller  
480 in writing specifying defect(s), if any, that render title unmarketable. If Seller provides Title Commitment and it is  
481 delivered to Buyer less than 5 days prior to Closing Date, Buyer may extend Closing for up to 5 days after date of  
482 receipt to examine same in accordance with this STANDARD A. Seller shall have 30 days (“Cure Period”) after  
483 receipt of Buyer’s notice to take reasonable diligent efforts to remove defects. If Buyer fails to so notify Seller, Buyer  
484 shall be deemed to have accepted title as it then is. If Seller cures defects within Cure Period, Seller will deliver  
485 written notice to Buyer (with proof of cure acceptable to Buyer and Buyer’s attorney) and the parties will close this  
486 Contract on Closing Date (or if Closing Date has passed, within 10 days after Buyer’s receipt of Seller’s notice). If  
487 Seller is unable to cure defects within Cure Period, then Buyer may, within 5 days after expiration of Cure Period,  
488 deliver written notice to Seller: (a) extending Cure Period for a specified period not to exceed 120 days within which  
489 Seller shall continue to use reasonable diligent effort to remove or cure the defects (“Extended Cure Period”); or  
490 (b) electing to accept title with existing defects and close this Contract on Closing Date (or if Closing Date has  
491 passed, within the earlier of 10 days after end of Extended Cure Period or Buyer’s receipt of Seller’s notice), or (c)  
492 electing to terminate this Contract and receive a refund of the Deposit, thereby releasing Buyer and Seller from all  
493 further obligations under this Contract. If after reasonable diligent effort, Seller is unable to timely cure defects, and  
494 Buyer does not waive the defects, this Contract shall terminate, and Buyer shall receive a refund of the Deposit,  
495 thereby releasing Buyer and Seller from all further obligations under this Contract.

496 **B. SURVEY:** If Survey discloses encroachments on the Real Property or that improvements located thereon  
497 encroach on setback lines, easements, or lands of others, or violate any restrictions, covenants, or applicable  
498 governmental regulations described in STANDARD A (i)(a), (b) or (d) above, Buyer shall deliver written notice of  
499 such matters, together with a copy of Survey, to Seller within 5 days after Buyer’s receipt of Survey, but no later

500 than Closing. If Buyer timely delivers such notice and Survey to Seller, such matters identified in the notice and  
501 Survey shall constitute a title defect, subject to cure obligations of STANDARD A above. If Seller has delivered a  
502 prior survey, Seller shall, at Buyer's request, execute an affidavit of "no change" to the Real Property since the  
503 preparation of such prior survey, to the extent the affirmations therein are true and correct.

504 **C. INGRESS AND EGRESS:** Seller represents that there is ingress and egress to the Real Property and title to  
505 the Real Property is insurable in accordance with STANDARD A without exception for lack of legal right of access.

506 **D. LEASE INFORMATION:** Seller shall, at least 10 days prior to Closing, furnish to Buyer estoppel letters from  
507 tenant(s)/occupant(s) specifying nature and duration of occupancy, rental rates, advanced rent and security  
508 deposits paid by tenant(s) or occupant(s) ("Estoppel Letter(s)"). If Seller is unable to obtain such Estoppel Letter(s)  
509 the same information shall be furnished by Seller to Buyer within that time period in the form of a Seller's affidavit,  
510 and Buyer may thereafter contact tenant(s) or occupant(s) to confirm such information. If Estoppel Letter(s) or  
511 Seller's affidavit, if any, differ materially from Seller's representations and lease(s) provided pursuant to Paragraph  
512 6, or if tenant(s)/occupant(s) fail or refuse to confirm Seller's affidavit, Buyer may deliver written notice to Seller  
513 within 5 days after receipt of such information, but no later than 5 days prior to Closing Date, terminating this  
514 Contract and receive a refund of the Deposit, thereby releasing Buyer and Seller from all further obligations under  
515 this Contract. Seller shall, at Closing, deliver and assign all leases to Buyer who shall assume Seller's obligations  
516 thereunder.

517 **E. LIENS:** Seller shall furnish to Buyer at Closing an affidavit attesting (i) to the absence of any financing  
518 statement, claims of lien or potential lienors known to Seller and (ii) that there have been no improvements or  
519 repairs to the Real Property for 90 days immediately preceding Closing Date. If the Real Property has been  
520 improved or repaired within that time, Seller shall deliver releases or waivers of construction liens executed by all  
521 general contractors, subcontractors, suppliers and materialmen in addition to Seller's lien affidavit setting forth  
522 names of all such general contractors, subcontractors, suppliers and materialmen, further affirming that all charges  
523 for improvements or repairs which could serve as a basis for a construction lien or a claim for damages have been  
524 paid or will be paid at Closing.

525 **F. TIME: Time is of the essence in this Contract.** Calendar days, based on where the Property is located, shall  
526 be used in computing time periods. Other than time for acceptance and Effective Date as set forth in Paragraph 3,  
527 any time periods provided for or dates specified in this Contract, whether preprinted, handwritten, typewritten or  
528 inserted herein, which shall end or occur on a Saturday, Sunday, national legal public holiday (as defined in 5  
529 U.S.C. Sec. 6103(a)), or a day on which a national legal public holiday is observed because it fell on a Saturday or  
530 Sunday, shall extend to the next calendar day which is not a Saturday, Sunday, national legal public holiday, or a  
531 day on which a national legal public holiday is observed.

532 **G. FORCE MAJEURE:** Buyer or Seller shall not be required to exercise or perform any right or obligation under  
533 this Contract or be liable to each other for damages so long as performance or non-performance of the right or  
534 obligation, or the availability of services, insurance, or required approvals essential to Closing, is disrupted, delayed,  
535 caused or prevented by a Force Majeure event. "Force Majeure" means: hurricanes, floods, extreme weather,  
536 earthquakes, fires, or other acts of God, unusual transportation delays, wars, insurrections, civil unrest, or acts of  
537 terrorism, governmental actions and mandates, government shut downs, epidemics, or pandemics, which, by  
538 exercise of reasonable diligent effort, the non-performing party is unable in whole or in part to prevent or overcome.  
539 The Force Majeure event will be deemed to have begun on the first day the effect of the Force Majeure prevents  
540 performance, non-performance, or the availability of services, insurance or required approvals essential to Closing.  
541 All time periods affected by the Force Majeure event, including Closing Date, will be extended a reasonable time  
542 up to 7 days after the Force Majeure event no longer prevents performance under this Contract; provided, however,  
543 if such Force Majeure event continues to prevent performance under this Contract more than 30 days beyond  
544 Closing Date, then either party may terminate this Contract by delivering written notice to the other and the Deposit  
545 shall be refunded to Buyer, thereby releasing Buyer and Seller from all further obligations under this Contract.

546 **H. CONVEYANCE:** Seller shall convey marketable title to the Real Property by statutory warranty, trustee's,  
547 personal representative's, or guardian's deed, as appropriate to the status of Seller, subject only to matters  
548 described in STANDARD A and those accepted by Buyer. Personal Property shall, at request of Buyer, be  
549 transferred by absolute bill of sale with warranty of title, subject only to such matters as may be provided for in this  
550 Contract.

551 **I. CLOSING LOCATION; DOCUMENTS; AND PROCEDURE:**

552 (i) **LOCATION:** Closing will be conducted by the attorney or other closing agent ("Closing Agent") designated by  
553 the party paying for the owner's policy of title insurance and will take place in the county where the Real Property  
554 is located at the office of the Closing Agent, or at such other location agreed to by the parties. If there is no title  
555 insurance, Seller will designate Closing Agent. Closing may be conducted by mail, overnight courier, or electronic  
556 means.

557 (ii) **CLOSING DOCUMENTS:** Seller shall, at or prior to Closing, execute and deliver, as applicable, deed, bill of  
558 sale, certificate(s) of title or other documents necessary to transfer title to the Property, construction lien affidavit(s),  
559 owner's possession and no lien affidavit(s), and assignment(s) of leases. Seller shall provide Buyer with paid  
560 receipts for all work done on the Property pursuant to this Contract. Buyer shall furnish and pay for, as applicable,  
561 the survey, flood elevation certification, and documents required by Buyer's lender.

562 (iii) **FinCEN GTO REPORTING OBLIGATION.** If Closing Agent is required to comply with a U.S. Treasury  
563 Department's Financial Crimes Enforcement Network ("FinCEN") Geographic Targeting Order ("GTO"), then Buyer  
564 shall provide Closing Agent with essential information and documentation related to Buyer and its Beneficial  
565 Owners, including photo identification, and related to the transaction contemplated by this Contract which are  
566 required to complete mandatory reporting including the Currency Transaction Report; and Buyer consents to  
567 Closing Agent's collection and report of said information to IRS.

568 (iv) **PROCEDURE:** The deed shall be recorded upon Collection of all closing funds. If the Title Commitment provides  
569 insurance against adverse matters pursuant to Section 627.7841, F.S., as amended, the escrow closing procedure  
570 required by STANDARD J shall be waived, and Closing Agent shall, **subject to Collection of all closing funds,**  
571 disburse at Closing the brokerage fees to Broker and the net sale proceeds to Seller.

572 **J. ESCROW CLOSING PROCEDURE:** If Title Commitment issued pursuant to Paragraph 9(c) does not provide  
573 for insurance against adverse matters as permitted under Section 627.7841, F.S., as amended, the following  
574 escrow and closing procedures shall apply: (1) all Closing proceeds shall be held in escrow by the Closing Agent  
575 for a period of not more than 10 days after Closing; (2) if Seller's title is rendered unmarketable, through no fault of  
576 Buyer, Buyer shall, within the 10 day period, notify Seller in writing of the defect and Seller shall have 30 days from  
577 date of receipt of such notification to cure the defect; (3) if Seller fails to timely cure the defect, the Deposit and all  
578 Closing funds paid by Buyer shall, within 5 days after written demand by Buyer, be refunded to Buyer and,  
579 simultaneously with such repayment, Buyer shall return the Personal Property, vacate the Real Property and re-  
580 convey the Property to Seller by special warranty deed and bill of sale; and (4) if Buyer fails to make timely demand  
581 for refund of the Deposit, Buyer shall take title as is, waiving all rights against Seller as to any intervening defect  
582 except as may be available to Buyer by virtue of warranties contained in the deed or bill of sale.

583 **K. PRORATIONS; CREDITS:** The following recurring items will be made current (if applicable) and prorated as of  
584 the day prior to Closing Date, or date of occupancy if occupancy occurs before Closing Date: real estate taxes  
585 (including special benefit tax assessments imposed by a CDD pursuant to Chapter 190, F.S., and assessments  
586 imposed by special district(s) pursuant to Chapter 189, F.S.), interest, bonds, association fees, insurance, rents  
587 and other expenses of Property. Buyer shall have option of taking over existing policies of insurance, if assumable,  
588 in which event premiums shall be prorated. Cash at Closing shall be increased or decreased as may be required  
589 by prorations to be made through day prior to Closing. Advance rent and security deposits, if any, will be credited  
590 to Buyer. Escrow deposits held by Seller's mortgagee will be paid to Seller. Taxes shall be prorated based on  
591 current year's tax. If Closing occurs on a date when current year's millage is not fixed but current year's assessment  
592 is available, taxes will be prorated based upon such assessment and prior year's millage. If current year's  
593 assessment is not available, then taxes will be prorated on prior year's tax. If there are completed improvements  
594 on the Real Property by January 1st of year of Closing, which improvements were not in existence on January 1<sup>st</sup>  
595 of prior year, then taxes shall be prorated based upon prior year's millage and at an equitable assessment to be  
596 agreed upon between the parties, failing which, request shall be made to the County Property Appraiser for an  
597 informal assessment taking into account available exemptions. In all cases, due allowance shall be made for the  
598 maximum allowable discounts and applicable homestead and other exemptions. A tax proration based on an  
599 estimate shall, at either party's request, be readjusted upon receipt of current year's tax bill. This STANDARD K  
600 shall survive Closing.

601 **L. ACCESS TO PROPERTY TO CONDUCT APPRAISALS, INSPECTIONS, AND WALK-THROUGH:** Seller  
602 shall, upon reasonable notice, provide utilities service and access to Property for appraisals and inspections,  
603 including a walk-through (or follow-up walk-through if necessary) prior to Closing.

604 **M. RISK OF LOSS:** If, after Effective Date, but before Closing, Property is damaged by fire or other casualty  
605 ("Casualty Loss") and cost of restoration (which shall include cost of pruning or removing damaged trees) does not  
606 exceed 1.5% of Purchase Price, cost of restoration shall be an obligation of Seller and Closing shall proceed  
607 pursuant to terms of this Contract. If restoration is not completed as of Closing, a sum equal to 125% of estimated  
608 cost to complete restoration (not to exceed 1.5% of Purchase Price) will be escrowed at Closing. If actual cost of  
609 restoration exceeds escrowed amount, Seller shall pay such actual costs (but, not in excess of 1.5% of Purchase  
610 Price). Any unused portion of escrowed amount shall be returned to Seller. If cost of restoration exceeds 1.5% of  
611 Purchase Price, Buyer shall elect to either take Property "as is" together with the 1.5%, or receive a refund of the  
612 Deposit thereby releasing Buyer and Seller from all further obligations under this Contract. Seller's sole obligation  
613 with respect to tree damage by casualty or other natural occurrence shall be cost of pruning or removal.

614 **N. 1031 EXCHANGE:** If either Seller or Buyer wish to enter into a like-kind exchange (either simultaneously with  
615 Closing or deferred) under Section 1031 of the Internal Revenue Code (“Exchange”), the other party shall cooperate  
616 in all reasonable respects to effectuate the Exchange, including execution of documents; provided, however,  
617 cooperating party shall incur no liability or expense related to the Exchange, and Closing shall not be contingent  
618 upon, nor extended or delayed by, such Exchange.

619 **O. CONTRACT NOT RECORDABLE; PERSONS BOUND; NOTICE; DELIVERY; COPIES; CONTRACT**  
620 **EXECUTION:** Neither this Contract nor any notice of it shall be recorded in any public or official records. This  
621 Contract shall be binding on, and inure to the benefit of, the parties and their respective heirs or successors in  
622 interest. Whenever the context permits, singular shall include plural and one gender shall include all. Notice and  
623 delivery given by or to the attorney or broker (including such broker’s real estate licensee) representing any party  
624 shall be as effective as if given by or to that party. All notices must be in writing and may only be made by mail,  
625 facsimile transmission, personal delivery or email. A facsimile or electronic copy of this Contract and any signatures  
626 hereon shall be considered for all purposes as an original. This Contract may be executed by use of electronic  
627 signatures, as determined by Florida’s Electronic Signature Act and other applicable laws.

628 **P. INTEGRATION; MODIFICATION:** This Contract contains the full and complete understanding and agreement  
629 of Buyer and Seller with respect to the transaction contemplated by this Contract and no prior agreements or  
630 representations shall be binding upon Buyer or Seller unless included in this Contract. No modification to or change  
631 in this Contract shall be valid or binding upon Buyer or Seller unless in writing and executed by the parties intended  
632 to be bound by it.

633 **Q. WAIVER:** Failure of Buyer or Seller to insist on compliance with, or strict performance of, any provision of this  
634 Contract, or to take advantage of any right under this Contract, shall not constitute a waiver of other provisions or  
635 rights.

636 **R. RIDERS; ADDENDA; TYPEWRITTEN OR HANDWRITTEN PROVISIONS:** Riders, addenda, and typewritten  
637 or handwritten provisions shall control all printed provisions of this Contract in conflict with them.

638 **S. COLLECTION or COLLECTED:** “Collection” or “Collected” means any checks tendered or received, including  
639 Deposits, have become actually and finally collected and deposited in the account of Escrow Agent or Closing  
640 Agent. Closing and disbursement of funds and delivery of closing documents may be delayed by Closing Agent  
641 until such amounts have been Collected in Closing Agent’s accounts.

642 **T. RESERVED.**

643 **U. APPLICABLE LAW AND VENUE:** This Contract shall be construed in accordance with the laws of the State  
644 of Florida and venue for resolution of all disputes, whether by mediation, arbitration or litigation, shall lie in the  
645 county where the Real Property is located.

646 **V. FIRPTA TAX WITHHOLDING:** If a seller of U.S. real property is a “foreign person” as defined by FIRPTA,  
647 Section 1445 of the Internal Revenue Code (“Code”) requires the buyer of the real property to withhold up to 15%  
648 of the amount realized by the seller on the transfer and remit the withheld amount to the Internal Revenue Service  
649 (IRS) unless an exemption to the required withholding applies or the seller has obtained a Withholding Certificate  
650 from the IRS authorizing a reduced amount of withholding.

651 (i) No withholding is required under Section 1445 of the Code if the Seller is not a “foreign person”. Seller can  
652 provide proof of non-foreign status to Buyer by delivery of written certification signed under penalties of perjury,  
653 stating that Seller is not a foreign person and containing Seller’s name, U.S. taxpayer identification number and  
654 home address (or office address, in the case of an entity), as provided for in 26 CFR 1.1445-2(b). Otherwise, Buyer  
655 shall withhold the applicable percentage of the amount realized by Seller on the transfer and timely remit said funds  
656 to the IRS.

657 (ii) If Seller is a foreign person and has received a Withholding Certificate from the IRS which provides for reduced  
658 or eliminated withholding in this transaction and provides same to Buyer by Closing, then Buyer shall withhold the  
659 reduced sum required, if any, and timely remit said funds to the IRS.

660 (iii) If prior to Closing Seller has submitted a completed application to the IRS for a Withholding Certificate and has  
661 provided to Buyer the notice required by 26 CFR 1.1445-1(c) (2)(i)(B) but no Withholding Certificate has been  
662 received as of Closing, Buyer shall, at Closing, withhold the applicable percentage of the amount realized by Seller  
663 on the transfer and, at Buyer’s option, either (a) timely remit the withheld funds to the IRS or (b) place the funds in  
664 escrow, at Seller’s expense, with an escrow agent selected by Buyer and pursuant to terms negotiated by the  
665 parties, to be subsequently disbursed in accordance with the Withholding Certificate issued by the IRS or remitted  
666 directly to the IRS if the Seller’s application is rejected or upon terms set forth in the escrow agreement.

667 (iv) In the event the net proceeds due Seller are not sufficient to meet the withholding requirement(s) in this  
668 transaction, Seller shall deliver to Buyer, at Closing, the additional Collected funds necessary to satisfy the  
669 applicable requirement and thereafter Buyer shall timely remit said funds to the IRS or escrow the funds for  
670 disbursement in accordance with the final determination of the IRS, as applicable.



671  
672

(v) Upon remitting funds to the IRS pursuant to this STANDARD, Buyer shall provide Seller copies of IRS Forms 8288 and 8288-A, as filed.

**ADDENDA AND ADDITIONAL TERMS**

673 \*  
674

**19. ADDENDA:** The following additional terms are included in the attached addenda or riders and incorporated into this Contract (**Check if applicable**):

- |  |   |   |
|--|---|---|
| <input type="checkbox"/> A. Condominium Rider        | <input type="checkbox"/> M. Defective Drywall                 | <input type="checkbox"/> X. Kick-out Clause                                       |
| <input type="checkbox"/> B. Homeowners' Assn.        | <input type="checkbox"/> N. Coastal Construction Control Line | <input type="checkbox"/> Y. Seller's Attorney Approval                            |
| <input type="checkbox"/> C. Seller Financing         | <input type="checkbox"/> O. Insulation Disclosure             | <input type="checkbox"/> Z. Buyer's Attorney Approval                             |
| <input type="checkbox"/> D. Mortgage Assumption      | <input type="checkbox"/> P. Lead Paint Disclosure (Pre-1978)  | <input type="checkbox"/> AA. Licensee Property Interest                           |
| <input type="checkbox"/> E. FHA/VA Financing         | <input type="checkbox"/> Q. Housing for Older Persons         | <input type="checkbox"/> BB. Binding Arbitration                                  |
| <input type="checkbox"/> F. Appraisal Contingency    | <input type="checkbox"/> R. Rezoning                          | <input type="checkbox"/> CC. Miami-Dade County Special Taxing District Disclosure |
| <input type="checkbox"/> G. Short Sale               | <input type="checkbox"/> S. Lease Purchase/ Lease Option      | <input type="checkbox"/> DD. Seasonal/Vacation Rentals                            |
| <input type="checkbox"/> H. Homeowners'/Flood Ins    | <input type="checkbox"/> T. Pre-Closing Occupancy             | <input type="checkbox"/> EE. PACE Disclosure                                      |
| <input type="checkbox"/> I. Mold Inspection          | <input type="checkbox"/> U. Post-Closing Occupancy            | <input type="checkbox"/> Other: _____   |
| <input type="checkbox"/> J. Interest-Bearing Acct.   | <input type="checkbox"/> V. Sale of Buyer's Property          | _____   |
| <input type="checkbox"/> K. "As Is"                  | <input type="checkbox"/> W. Back-up Contract                  | _____   |
| <input type="checkbox"/> L. Right to Inspect/ Cancel |   |   |

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**20. ADDITIONAL TERMS:** \_\_\_\_\_  
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**COUNTER-OFFER**

694 \*  Seller counters Buyer's offer.

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**THIS IS INTENDED TO BE A LEGALLY BINDING CONTRACT. IF NOT FULLY UNDERSTOOD, SEEK THE ADVICE OF AN ATTORNEY PRIOR TO SIGNING.**

698

**THIS FORM HAS BEEN APPROVED BY THE FLORIDA REALTORS AND THE FLORIDA BAR.**

699  
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701

*Approval of this form by the Florida Realtors and The Florida Bar does not constitute an opinion that any of the terms and conditions in this Contract should be accepted by the parties in a particular transaction. Terms and conditions should be negotiated based upon the respective interests, objectives and bargaining positions of all interested persons.*

702  
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AN ASTERISK (\*) FOLLOWING A LINE NUMBER IN THE MARGIN INDICATES THE LINE CONTAINS A BLANK TO BE COMPLETED.

704  
705

706 \*

Buyer: \_\_\_\_\_ Date: \_\_\_\_\_

707 \*

Buyer: \_\_\_\_\_ Date: \_\_\_\_\_

708 \*

Seller: \_\_\_\_\_ Date: \_\_\_\_\_

709 \*

Seller: \_\_\_\_\_ Date: \_\_\_\_\_

710  
711 \*  
712 \*  
713 \*

Buyer's address for purposes of notice	Seller's address for purposes of notice
_____	_____
_____	_____
_____	_____

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**BROKER:** Listing and Cooperating Brokers, if any, named below (collectively, "Broker"), are the only Brokers entitled to compensation in connection with this Contract. Instruction to Closing Agent: Seller and Buyer direct Closing Agent to disburse at Closing the full amount of the brokerage fees as specified in separate brokerage agreements with the parties and cooperative agreements between the Brokers, except to the extent Broker has retained such fees from the escrowed funds. This Contract shall not modify any MLS or other offer of compensation made by Seller or Listing Broker to Cooperating Brokers.

720 \*

_____	_____
<b>Cooperating Sales Associate, if any</b>	<b>Listing Sales Associate</b>

722 \*

_____	_____
<b>Cooperating Broker, if any</b>	<b>Listing Broker</b>

723

# Residential Contracts

## For Sale and Purchase



John B. "Jay" St. Lawrence  
Fund Regulatory Compliance Counsel  
© 2024 Attorneys Title Fund Services, LLC



# Overview

- Parts 1 & 2
  - Structure of FR/Bar residential real estate contract
- Part 3
  - Reality check & solutions
  - Deadlines
  - Cancellation provisions
  - Default
  - Ethical considerations



# Contract Format

- Specific form required in FL?
  - No
  - Commercial contracts often custom-drafted
- FR/Bar most common form contract
  - Residential
  - Generally revised every 2 yrs
  - Version # bottom left
  - Older versions still out there
  - Lines numbered for reference
  - \* indicates blank to be filled
  - Default numbers in ( )
- Other region-specific forms
  - NEFAR – NE FL Realtors (sunsetted 6/30/24)
  - FR CRSP -- Panhandle
  - NABOR – Naples Area Board of Realtors



**Residential Contract For Sale And Purchase**  
THIS FORM HAS BEEN APPROVED BY THE FLORIDA REALTORS AND THE FLORIDA BAR

1\* **PARTIES:** Rahul B. Chopra and Sonia Chopra, husband and wife ("Seller"),  
 2\* and Edward F. Black and Pamela M. Black, husband and wife ("Buyer"),  
 3 agree that Seller shall sell and Buyer shall buy the following described Real Property and Personal Property  
 4 (collectively "Property") pursuant to the terms and conditions of this Residential Contract For Sale And Purchase and  
 5 any riders and addenda ("Contract"):  
 6 **1. PROPERTY DESCRIPTION:**  
 7\* (a) Street address, city, zip: 2059 Tillman Avenue, Winter Garden, FL 34787  
 8\* (b) Located in: Orange County, Florida, Property Tax ID #: 02-23-27-08-05-0060  
 9\* (c) Real Property: The legal description is Bronson's Landings, 66/139, Lot 86  
 10  
 11 together with all existing improvements and fixtures, including built-in appliances, built-in furnishings and  
 12 attached wall-to-wall carpeting and flooring ("Real Property") unless specifically excluded in Paragraph 1(e) or  
 13 by other terms of this Contract.  
 14 (d) Personal Property: Unless excluded in Paragraph 1(e) or by other terms of this Contract, the following items  
 15 which are owned by Seller and existing on the Property as of the date of the initial offer are included in the  
 16 purchase: range(s)/oven(s), refrigerator(s), dishwasher(s), disposal, ceiling fan(s), light fixture(s), drapery rods  
 17 and draperies, blinds, window treatments, smoke detector(s), garage door opener(s), thermostat(s), doorbell(s),  
 18 television wall mount(s) and television mounting hardware, security gate and other access devices, mailbox  
 19 keys, and storm shutters/storm protection items and hardware ("Personal Property").  
 20 Other Personal Property items included in this purchase are: microwave oven, spa with heater, pool heater,  
 21\* summer kitchen including built-in grill, wine refrigerator, gazebo and outdoor ceiling fan  
 22 Personal Property is included in the Purchase Price, has no contributory value, and shall be left for the Buyer.  
 23 (e) The following items are excluded from the purchase:  
 24\*  
 25  
 26 **PURCHASE PRICE AND CLOSING**  
 27\* **2. PURCHASE PRICE** (U.S. currency):.....\$ 550,000.00  
 28\* (a) Initial deposit to be held in escrow in the amount of (**checks subject to Collection**) .....\$ 10,000.00  
 29 The initial deposit made payable and delivered to "Escrow Agent" named below  
 30\* (**CHECK ONE**): (i)  accompanies offer or (ii)  is to be made within \_\_\_\_\_ (if left  
 31 blank, then 3) days after Effective Date. IF NEITHER BOX IS CHECKED, THEN  
 32 **OPTION (ii) SHALL BE DEEMED SELECTED.**  
 33\* Escrow Agent Name: Homefinders Realty Company  
 34  
 35  
 36\* (b) Additional deposit to be delivered to Escrow Agent within 3 (if left blank, then 10)  
 37\* days after Effective Date .....\$ 40,000.00  
 38 (All deposits paid or agreed to be paid, are collectively referred to as the "Deposit")  
 39\* (c) Financing: Express as a dollar amount or percentage ("Loan Amount") see Paragraph 8..... 410,000.00  
 40\* (d) Other:.....\$ \_\_\_\_\_  
 41 (e) Balance to close (not including Buyer's closing costs, prepaids and prorations) by wire  
 42\* transfer or other Collected funds (See STANDARD S).....\$ 90,000.00  
 43 **3. TIME FOR ACCEPTANCE OF OFFER AND COUNTER-OFFERS; EFFECTIVE DATE:**  
 44 (a) If not signed by Buyer and Seller, and an executed copy delivered to all parties on or before  
 45\* May 21, 2023, this offer shall be deemed withdrawn and the Deposit, if any, shall be returned  
 46 to Buyer. Unless otherwise stated, time for acceptance of any counter-offers shall be within 2 days after the day  
 47 the counter-offer is delivered.  
 48 (b) The effective date of this Contract shall be the date when the last one of the Buyer and Seller has signed or  
 49 initialed and delivered this offer or final counter-offer ("Effective Date").  
 50 **4. CLOSING; CLOSING DATE:** The closing of this transaction shall occur when all funds required for closing are  
 51 received by Closing Agent and Collected pursuant to STANDARD S and all closing documents required to be  
 52 furnished by each party pursuant to this Contract are delivered ("Closing"). Unless modified by other provisions of

# FR/Bar Contract Sections

## Introduction/Parties

- Property Description
- Purchase Price & Closing Date
- Financing
- Closing Costs, Fees & Charges
- Disclosures
- Property Maintenance, Condition, Inspection & Examination
- Escrow Agent & Broker
- Default & Dispute Resolution
- Standards for Real Estate Transactions
- Addenda & Additional Terms
- Counter-offer/rejection

# Parties and Paragraph 1. Property Description



# Parties and 1. Property Description

**PARTIES:** Rahul B. Chopra and Sonia Chopra, husband and wife ("Seller"),  
and Edward F. Black and Pamela M. Black, husband and wife ("Buyer"),

agree that Seller shall sell and Buyer shall buy the following described Real Property and Personal Property (collectively "Property") pursuant to the terms and conditions of this Residential Contract For Sale And Purchase and any riders and addenda ("Contract"):

## 1. PROPERTY DESCRIPTION:

(a) Street address, city, zip: 2059 Tillman Avenue, Winter Garden, FL 34787

(b) Located in: Orange County, Florida. Property Tax ID #: 02-23-27-08-05-0060

(c) Real Property: The legal description is Bronson's Landings, 66/139, Lot 86

\_\_\_\_\_ together with all existing improvements and fixtures, including built-in appliances, built-in furnishings and attached wall-to-wall carpeting and flooring ("Real Property") unless specifically excluded in Paragraph 1(e) or

(d) Personal Property: Unless excluded in Paragraph 1(e) or by other terms of this Contract, the following items which are owned by Seller and existing on the Property as of the date of the initial offer are included in the purchase: range(s)/oven(s), refrigerator(s), dishwasher(s), disposal, ceiling fan(s), light fixture(s), drapery rods and draperies, blinds, window treatments, smoke detector(s), garage door opener(s), thermostat(s), doorbell(s), television wall mount(s) and television mounting hardware, security gate and other access devices, mailbox keys, and storm shutters/storm protection items and hardware ("Personal Property").

Other Personal Property items included in this purchase are: microwave oven, spa with heater, pool heater, summer kitchen including built-in grill, wine refrigerator, gazebo and outdoor ceiling fan



# Paragraph 2. Purchase Price



## 2. Purchase Price

2. **PURCHASE PRICE** (U.S. currency):.....\$ 550,000.00
- (a) Initial deposit to be held in escrow in the amount of **(checks subject to Collection)** .....\$ 10,000.00  
 The initial deposit made payable and delivered to "Escrow Agent" named below  
**(CHECK ONE):** (i)  accompanies offer or (ii)  is to be made within \_\_\_\_\_ (if left blank, then 3) days after Effective Date. IF NEITHER BOX IS CHECKED, THEN OPTION (ii) SHALL BE DEEMED SELECTED.
- Escrow Agent Name: Homefinders Realty Company  
 Address: 5234 Nilla Lane, Orlando, FL Phone: (407) 333-6363  
 Email: rbaker@homefinders.com Fax: (407) 333-6366
- (b) Additional deposit to be delivered to Escrow Agent within 3 (if left blank, then 10) days after Effective Date .....\$ 40,000.00  
 (All deposits paid or agreed to be paid, are collectively referred to as the "Deposit")
- (c) Financing: Express as a dollar amount or percentage ("Loan Amount") see Paragraph 8 ..... 410,000.00
- (d) Other:.....\$ \_\_\_\_\_
- (e) Balance to close (not including Buyer's closing costs, prepaids and prorations) by wire transfer or other Collected funds (See STANDARD S).....\$ 90,000.00

## 2. Tips on Deposits and Personalty

### Deposits

- If you are escrow agent, obtain all deposits
- Send letter to all counsel or Seller/agent confirming receipt (subject to clearance)
- If not escrow agent, confirm all deposits received
- Get confirming letter from escrow agent

### Personalty

- Prepare detailed inventory of furnishings
- If extensive list of items, consider taking photos so no “confusion” later



## 2. Purchase Price (cont'd)

(e) Balance to close (not including Buyer's closing costs, prepaids and prorations) by wire transfer or other Collected funds (See STANDARD S)..... \$ 90,000.00

### 18. S. Standards

**S. COLLECTION or COLLECTED:** "Collection" or "Collected" means any checks tendered or received, including Deposits, have become actually and finally collected and deposited in the account of Escrow Agent or Closing Agent. Closing and disbursement of funds and delivery of closing documents may be delayed by Closing Agent until such amounts have been Collected in Closing Agent's accounts.

- Checks tendered or received actually & finally deposited
  - See Paragraph 2(a) & (e)
- Rules Regulating Fla. Bar 5-1.1(j)
  - "funds deposited, finally settled, and credited..."
- Sec. 674.215(1) F.S. – "finally paid" means
  - Paid in cash
  - Item settled w/o right to revoke, or
  - Payor bank made provisional settlement & failed to revoke

# Chargebacks

1. Collecting bank grants provisional credit upon deposit of check
2. Check dishonored by payor bank
3. Collecting bank debits customer account in amount equal to provisional credit granted
4. Fraudulent bank check scheme less common now than in the past. Call issuing bank (at confirmed number) to verify

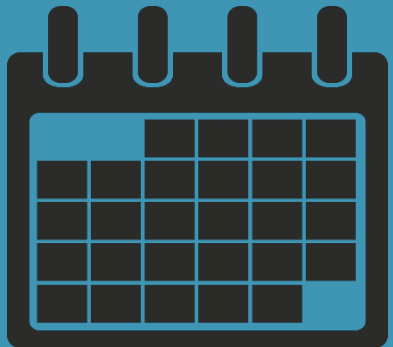


# Right of Refund

Collecting bank can pursue customer personally for uncollected funds disbursed by customer not recouped through chargeback



# Paragraph 3. Acceptance & Effective Date



# 3. Acceptance and Effective Date

- Read contract as soon as received
- Choose a way to start tracking dates
  - Closing calendar and checklists
  - Consider creating “working copy” of Contract – Effective date at the top
  - Note: FR/Bar days are calendar days (see Title Standards)

## 3. TIME FOR ACCEPTANCE OF OFFER AND COUNTER-OFFERS; EFFECTIVE DATE:

- (a) If not signed by Buyer and Seller, and an executed copy delivered to all parties on or before May 21, 20XX, this offer shall be deemed withdrawn and the Deposit, if any, shall be returned to Buyer. Unless otherwise stated, time for acceptance of any counter-offers shall be within 2 days after the day the counter-offer is delivered.
- (b) The effective date of this Contract shall be the date when the last one of the Buyer and Seller has signed or initialed and delivered this offer or final counter-offer (“Effective Date”).



# Effective Date



## Comprehensive Rider to the Residential Contract For Sale And Purchase

THIS FORM HAS BEEN APPROVED BY THE FLORIDA REALTORS AND THE FLORIDA BAR

If initialed by all parties, the clauses below will be incorporated into the Florida Realtors®/Florida Bar Residential Contract For Sale And Purchase between Rahul B. Chopra and Sonia Chopra, husband and wife (SELLER) and Edward F. Black and Pamela M. Black, husband and wife (BUYER) concerning the Property described as 2059 Tillman Avenue, Winter Garden, FL 34787

**Buyer's Initials**

*EJB*

*PMB*

5/21/20XX

5/21/20XX

**Seller's Initials**

*RBC*

*SC*

5/20/20XX

5/20/20XX

### X. KICK OUT CLAUSE

Seller will have the right to continue to show the Property and solicit and enter into bona fide back-up purchase contracts with third parties that are subject to the termination of this primary Contract. Upon entering into a back-up contract, Seller will give Buyer a copy of the back-up contract with the third parties' identification and purchase price information obliterated. To continue with this primary Contract, Buyer must make an additional deposit of \$ 20,000.00 to Escrow Agent, within 3 days from receipt of the back-up contract. By giving the additional deposit to Escrow Agent within 3 days, Buyer waives all contingencies for financing and sale of Buyer's property and the parties will close on Closing Date. The additional deposit will be credited to Buyer at Closing. If Buyer fails to timely make the additional deposit, then this primary Contract shall terminate and Buyer shall be refunded the Deposit, thereby releasing Buyer and Seller from all further obligations under this Contract.

# Paragraph 4. Closing Date



## 4. Closing Date

### Consider:

- Closing date: Does it fall on a holiday? Will everyone be in town?
- Closing date may be extended by other terms of the contract (see para. 5)
- Closing date may otherwise only be changed with addendum

4. **CLOSING; CLOSING DATE:** The closing of this transaction shall occur when all funds required for closing are received by Closing Agent and Collected pursuant to STANDARD S and all closing documents required to be furnished by each party pursuant to this Contract are delivered ("Closing"). Unless modified by other provisions of this Contract, the Closing shall occur on June 26, 20XX ("Closing Date"), at the time established by the Closing Agent.

# Paragraph 5. Extension of Closing Date

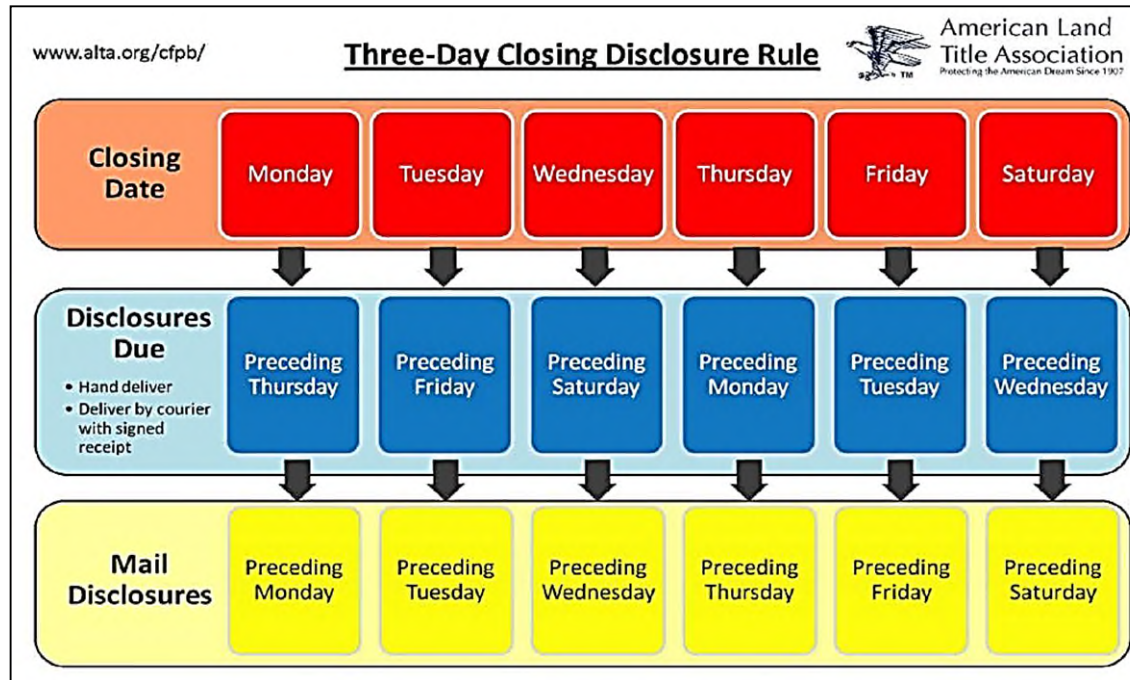


# 5.(a) Extension of Closing Date

- CFPB requirements (lender issue) can extend Closing date up to 7 days (was 10 under FR/Bar 5)

## 5. EXTENSION OF CLOSING DATE:

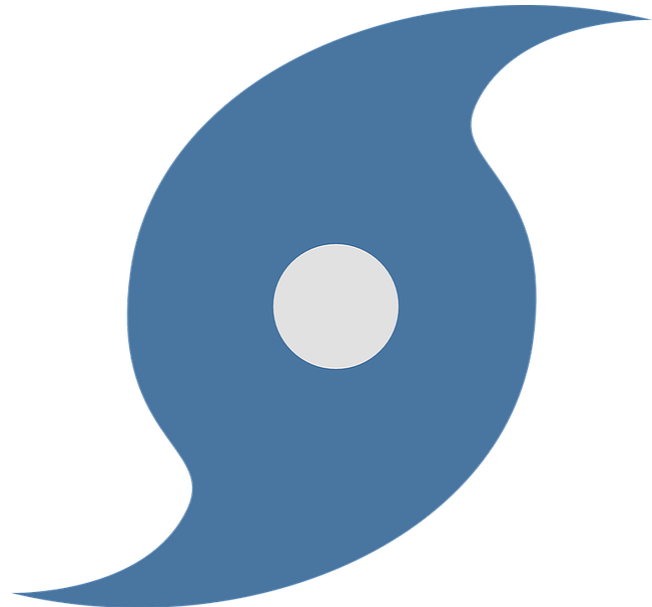
(a) In the event Closing funds from Buyer's lender(s) are not available on Closing Date due to Consumer Financial Protection Bureau Closing Disclosure delivery requirements ("CFPB Requirements"), if Paragraph 8(b) is checked, Loan Approval has been obtained, and lender's underwriting is complete, then Closing Date shall be extended for such period necessary to satisfy CFPB Requirements, provided such period shall not exceed 7 days.



## 5.(b) Extension of Closing Date

- Force Majeure can extend closing date as well –see STANDARD G
  - “Insurance window” can close if natural disaster anticipated

(b) If an event constituting “Force Majeure” causes services essential for Closing to be unavailable, including the unavailability of utilities or issuance of hazard, wind, flood or homeowners’ insurance, Closing Date shall be extended as provided in STANDARD G.



# Title Standard G

- FR/Bar 6 adds to definition
  - Governmental actions, mandates, and shutdowns
  - Epidemics and pandemics

**G. FORCE MAJEURE:** Buyer or Seller shall not be required to exercise or perform any right or obligation under this Contract or be liable to each other for damages so long as performance or non-performance of the right or obligation, or the availability of services, insurance, or required approvals essential to Closing, is disrupted, delayed, caused or prevented by a Force Majeure event. "Force Majeure" means: hurricanes, floods, extreme weather, earthquakes, fires, or other acts of God, unusual transportation delays, wars, insurrections, civil unrest, or acts of terrorism, governmental actions and mandates, government shut downs, epidemics, or pandemics, which, by exercise of reasonable diligent effort, the non-performing party is unable in whole or in part to prevent or overcome. The Force Majeure event will be deemed to have begun on the first day the effect of the Force Majeure prevents performance, non-performance, or the availability of services, insurance or required approvals essential to Closing. All time periods affected by the Force Majeure event, including Closing Date, will be extended a reasonable time up to 7 days after the Force Majeure event no longer prevents performance under this Contract; provided, however, if such Force Majeure event continues to prevent performance under this Contract more than 30 days beyond Closing Date, then either party may terminate this Contract by delivering written notice to the other and the Deposit shall be refunded to Buyer, thereby releasing Buyer and Seller from all further obligations under this Contract.

# Paragraph 6. Occupancy & Possession





# 6. Occupancy and Possession

## 6. OCCUPANCY AND POSSESSION:

- (a) Unless the box in Paragraph 6(b) is checked, Seller shall, at Closing, deliver occupancy and possession of the Property to Buyer free of tenants, occupants and future tenancies. Also, at Closing, Seller shall have removed all personal items and trash from the Property and shall deliver all keys, garage door openers, access devices and codes, as applicable, to Buyer. If occupancy is to be delivered before Closing, Buyer assumes all risks of loss to the Property from date of occupancy, shall be responsible and liable for maintenance from that date, and shall be deemed to have accepted the Property in its existing condition as of time of taking occupancy, except with respect to any items identified by Buyer pursuant to Paragraph 12, prior to taking occupancy, which require repair, replacement, treatment or remedy.
- (b)  **CHECK IF PROPERTY IS SUBJECT TO LEASE(S) OR OCCUPANCY AFTER CLOSING.** If Property is subject to a lease(s) after Closing or is intended to be rented or occupied by third parties beyond Closing, the facts and terms thereof shall be disclosed in writing by Seller to Buyer and copies of the written lease(s) shall be delivered to Buyer, all within 5 days after Effective Date. If Buyer determines, in Buyer's sole discretion, that the lease(s) or terms of occupancy are not acceptable to Buyer, Buyer may terminate this Contract by delivery of written notice of such election to Seller within 5 days after receipt of the above items from Seller, and Buyer shall be refunded the Deposit thereby releasing Buyer and Seller from all further obligations under this Contract. Estoppel Letter(s) and Seller's affidavit shall be provided pursuant to STANDARD D. If Property is intended to be occupied by Seller after Closing, see Rider U. POST-CLOSING OCCUPANCY BY SELLER.

- (a) Seller delivers possession at closing (keys, garage openers, gate codes etc.)
- (b) Check where 3d parties occupying beyond Closing
- Written notice to buyer w/copies of written leases w/in 5 days of Effective date
  - Buyer can cancel w/in 5 days of receiving information

# 6. Occupancy and Possession

## Standard Contract vs AS IS

- Standard Contract requires para. 12 repairs if any
- AS IS does not

### Standard Contract

#### 6. OCCUPANCY AND POSSESSION:

- (a) Unless Paragraph 6(b) is checked, Seller shall, at Closing, deliver occupancy and possession of the Property to Buyer free of tenants, occupants and future tenancies. Also, at Closing, Seller shall have removed all personal items and trash from the Property and shall deliver all keys, garage door openers, access devices and codes, as applicable, to Buyer. If occupancy is to be delivered before Closing, Buyer assumes all risks of loss to the Property from date of occupancy, shall be responsible and liable for maintenance from that date, and shall have accepted the Property in its existing condition as of time of taking occupancy (see Rider T PRE-CLOSING OCCUPANCY BY BUYER), except with respect to any items identified by Buyer pursuant to Paragraph 12, prior to taking occupancy, which require repair, replacement, treatment or remedy.

### AS IS

#### 6. OCCUPANCY AND POSSESSION:

- (a) Unless Paragraph 6(b) is checked, Seller shall, at Closing, deliver occupancy and possession of the Property to Buyer free of tenants, occupants and future tenancies. Also, at Closing, Seller shall have removed all personal items and trash from the Property and shall deliver all keys, garage door openers, access devices and codes, as applicable, to Buyer. If occupancy is to be delivered before Closing, Buyer assumes all risks of loss to the Property from date of occupancy, shall be responsible and liable for maintenance from that date, and shall have accepted the Property in its existing condition as of time of taking occupancy, see Rider T PRE-

## 6. Occupancy and Possession –Tips

### Pre-closing occupancy (buyer)

- Consider *never doing this*

### Post-closing occupancy (seller)

- Draft short form lease
  - Include attorney fee provision
- Require ‘tenant’ have insurance for loss/damage of any personalty
- Collect “rent” on Closing Statement



## 6. Occupancy and Possession – More Tips

### Lender funding

- FR/Bar contemplates “cash for keys” (table closing)
- Out-of-state lenders may have different assumptions about funding

### Taking title subject to tenants

- Get estoppel letters from tenants confirming no
  - Set-offs
  - Rights of first refusal
  - Options
- RE agents can be of assistance



# Paragraph 7. Assignability



# 7. Assignability

7. **ASSIGNABILITY: (CHECK ONE):** Buyer  may assign and thereby be released from any further liability under this Contract;  may assign but not be released from liability under this Contract; or  may not assign this Contract. IF NO BOX IS CHECKED, THEN BUYER MAY NOT ASSIGN THIS CONTRACT.

- Florida contracts freely assignable by default
- FR/Bar requires specific selection
- Residential contracts most often specified not assignable
- But Buyer may wish to
  - Form artificial entity
  - Add spouse or other third party or
  - “Flip” contract
- Seller may prefer security of a known buyer

# Paragraph 8. Financing



# 8. Financing

## If 8(a) “cash deal” checked

- No financing contingency
- Buyer may seek loan; but if not able to get one, Seller can sue for specific performance requiring Buyer to close anyway

## If 8(b) “contingent on Buyer’s financing” checked

- Buyer can specify type of loan and interest rate
- Starts a deadline for Buyer to obtain “Loan Approval”

### 8. FINANCING:

(a) This is a cash transaction with no financing contingency.

(b) This Contract is contingent upon, within 30 (if left blank, then 30) days after Effective Date (“Loan Approval Period”): (1) Buyer obtaining approval of a  conventional  FHA  VA or  other \_\_\_\_\_ (describe) mortgage loan for purchase of the Property for a **(CHECK ONE):**  fixed,  adjustable,  fixed or adjustable rate in the Loan Amount (See Paragraph 2(c)), at an initial interest rate not to exceed 4.25 % (if left blank, then prevailing rate based upon Buyer’s creditworthiness), and for a term of 30 (if left blank, then 30) years (“Financing”); and (2) Buyer’s mortgage broker or lender having received an appraisal or alternative valuation of the Property satisfactory to lender, if either is required by lender, which is sufficient to meet the terms required for lender to provide Financing for Buyer and proceed to Closing (“Appraisal”).



# 8. Financing

## Loan Approval

(i) Buyer shall make application for Financing within 5 (if left blank, then 5) days after Effective Date and use good faith and diligent effort to obtain approval of a loan meeting the Financing and Appraisal terms of Paragraph 8(b)(1) and (2), above, ("Loan Approval") within the Loan Approval Period and, thereafter, to close this Contract. Loan Approval which requires Buyer to sell other real property shall not be considered Loan Approval unless Rider V is attached.

Buyer's failure to use good faith and diligent effort to obtain Loan Approval during the Loan Approval Period shall be considered a default under the terms of this Contract. For purposes of this provision, "diligent effort" includes, but is not limited to, timely furnishing all documents and information required by Buyer's mortgage broker and lender and paying for Appraisal and other fees and charges in connection with Buyer's application for Financing.

(ii) Buyer shall, upon written request, keep Seller and Broker fully informed about the status of Buyer's mortgage loan application, loan processing, appraisal, and Loan Approval, including any Property related conditions

(iii) If within the Loan Approval Period, Buyer obtains Loan Approval, Buyer shall notify Seller of same in writing prior to expiration of the Loan Approval Period; or, if Buyer is unable to obtain Loan Approval within the Loan Approval Period but Buyer is satisfied with Buyer's ability to obtain Loan Approval and proceed to Closing, Buyer shall deliver written notice to Seller confirming same, prior to the expiration of the Loan Approval Period.

(iv) If Buyer is unable to obtain Loan Approval within the Loan Approval Period, or cannot timely meet the terms of Loan Approval, all after the exercise of good faith and diligent effort, Buyer may terminate this Contract by delivering written notice of termination to Seller prior to expiration of the Loan Approval Period; whereupon, provided Buyer is not in default under the terms of this Contract, Buyer shall be refunded the Deposit thereby releasing Buyer and Seller from all further obligations under this Contract.

(v) If Buyer fails to timely deliver any written notice provided for in Paragraph 8(b)(iii) or (iv), above, to Seller prior to expiration of the Loan Approval Period, then Buyer shall proceed forward with this Contract as though Paragraph 8(a), above, had been checked as of the Effective Date; provided, however, Seller may elect to terminate this Contract by delivering written notice of termination to Buyer within 3 days after expiration of the Loan Approval Period and, provided Buyer is not in default under the terms of this Contract, Buyer shall be refunded the Deposit thereby releasing Buyer and Seller from all further obligations under this Contract.

(vi) If Buyer has timely provided either written notice provided for in Paragraph 8(b)(iii), above, and Buyer thereafter fails to close this Contract, the Deposit shall be paid to Seller unless failure to close is due to: (1) Seller's default or inability to satisfy other contingencies of this Contract; or (2) Property related conditions of the Loan Approval (specifically excluding the Appraisal valuation) have not been met unless such conditions are waived by other provisions of this Contract; in which event(s) the Buyer shall be refunded the Deposit, thereby releasing Buyer and Seller from all further obligations under this Contract.

# Financing Contingency – Tips

- FR/BAR specifically lets Seller speak with Buyer's loan officer regarding status of loan
  - Use when representing Seller
  - Don't rely on Buyer/Buyer's agent to stay informed
  - Buyer should obtain and keep declination letter
- Keep Loan Approval deadline in mind as to Closing Date
- In hot market, Sellers may reject offers subject to financing contingency
- If Buyer hasn't received loan approval in time, will Seller agree to an extension?
- Seller may demand that all other contingencies be waived as a condition of extending financing deadline
- Seller may want Buyer to release all or part of the Deposit to Seller before agreeing to extend financing contingency

# 8. Financing (cont'd)

## 8(c) Assumption of existing mortgage (with rider)

- (c) Assumption of existing mortgage (see rider for terms).
- (d) Purchase money note and mortgage to Seller (see riders; addenda; or special clauses for terms).

- Riders to contract required
  - FR/Bar – Rider D Assumption of Existing Mortgage
  - CRSP – Rider S Mortgage Assumption
- Contingent upon Buyer being approved
- Buyer due diligence
- Seller cooperation
- Assume vs. subject to

# 8. Financing

## 8(d) Purchase money note & mortgage to Seller (with riders, addenda, etc.)

- (c) Assumption of existing mortgage (see rider for terms).
- (d) Purchase money note and mortgage to Seller (see riders; addenda; or special clauses for terms).

- Purchase money note & mortgage to Seller
- Seller finances transaction
- Terms set out in either riders; addenda; or special clauses
  - FR/Bar – C Seller Financing
  - CRSP – Z Seller Financing

# Paragraph 9. Closing Costs



# 9.(a) Seller's Closing Costs

## 9. CLOSING COSTS; TITLE INSURANCE; SURVEY; HOME WARRANTY; SPECIAL ASSESSMENTS:

### (a) COSTS TO BE PAID BY SELLER:

- Documentary stamp taxes and surtax on deed, if any
- Owner's Policy and Charges (if Paragraph 9(c)(i) is checked)
- Title search charges (if Paragraph 9(c)(iii) is checked)
- Municipal lien search (if Paragraph 9(c) (i) or (iii) is checked)
- HOA/Condominium Association estoppel fees
- Recording and other fees needed to cure title
- Seller's attorneys' fees
- Other: \_\_\_\_\_

Seller shall pay the following amounts/percentages of the Purchase Price for the following costs and expenses:

(i) up to \$ 2,000.00 or \_\_\_\_\_ % (1.5% if left blank) for General Repair Items ("General Repair Limit"); and

(ii) up to \$ 2,000.00 or \_\_\_\_\_ % (1.5% if left blank) for WDO treatment and repairs ("WDO Repair Limit"); and

(iii) up to \$ 1,000.00 or \_\_\_\_\_ % (1.5% if left blank) for costs associated with closing out open or expired building permits and obtaining required building permits for any existing improvement for which a permit was not obtained ("Permit Limit").

If, prior to Closing, Seller is unable to meet the Maintenance Requirement as required by Paragraph 11 or the repairs, replacements, treatments or permitting as required by Paragraph 12, then, sums equal to 125% of estimated costs to complete the applicable item(s) (but, not in excess of applicable General Repair, WDO Repair, and Permit Limits set forth above, if any) shall be escrowed at Closing. If actual costs of required repairs, replacements, treatment or permitting exceed applicable escrowed amounts, Seller shall pay such actual costs (but, not in excess of applicable General Repair, WDO Repair, and Permit Limits set forth above). Any unused portion of escrowed amount(s) shall be returned to Seller.

## 9.(a) Seller's repair obligations

- Seller's closing costs include
- General Repair
  - Closing out permits
  - WDO, and

### 9. CLOSING COSTS; TITLE INSURANCE; SURVEY; HOME WARRANTY; SPECIAL ASSESSMENTS:

#### (a) COSTS TO BE PAID BY SELLER:

- Documentary stamp taxes and surtax on deed, if any
- HOA/Condominium Association estoppel fees
- Owner's Policy and Charges (if Paragraph 9(c)(i) is checked)
- Recording and other fees needed to cure title
- Title search charges (if Paragraph 9(c)(iii) is checked)
- Seller's attorneys' fees
- Municipal lien search (if Paragraph 9(c) (i) or (iii) is checked)
- Other:

Seller shall pay the following amounts/percentages of the Purchase Price for the following costs and expenses:

(i) up to \$ 2,000.00 or \_\_\_\_\_ % (1.5% if left blank) for General Repair Items ("General Repair Limit"); and

(ii) up to \$ 2,000.00 or \_\_\_\_\_ % (1.5% if left blank) for WDO treatment and repairs ("WDO Repair Limit"); and

(iii) up to \$ 1,000.00 or \_\_\_\_\_ % (1.5% if left blank) for costs associated with closing out open or expired building permits and obtaining required building permits for any existing improvement for which a permit was not obtained ("Permit Limit").

If, prior to Closing, Seller is unable to meet the Maintenance Requirement as required by Paragraph 11 or the repairs, replacements, treatments or permitting as required by Paragraph 12, then, sums equal to 125% of estimated costs to complete the applicable item(s) (but, not in excess of applicable General Repair, WDO Repair, and Permit Limits set forth above, if any) shall be escrowed at Closing. If actual costs of required repairs, replacements, treatment or permitting exceed applicable escrowed amounts, Seller shall pay such actual costs (but, not in excess of applicable General Repair, WDO Repair, and Permit Limits set forth above). Any unused portion of escrowed amount(s) shall be returned to Seller.

# 9.(a) Escrow for repairs

## 9. CLOSING COSTS; TITLE INSURANCE; SURVEY; HOME WARRANTY; SPECIAL ASSESSMENTS:

### (a) COSTS TO BE PAID BY SELLER:

- Documentary stamp taxes and surtax on deed, if any
- Owner's Policy and Charges (if Paragraph 9(c)(i) is checked)
- Title search charges (if Paragraph 9(c)(iii) is checked)
- Municipal lien search (if Paragraph 9(c) (i) or (iii) is checked)
- HOA/Condominium Association estoppel fees
- Recording and other fees needed to cure title
- Seller's attorneys' fees
- Other: \_\_\_\_\_

Seller shall pay the following amounts/percentages of the Purchase Price for the following costs and expenses:

- (i) up to \$ 2,000.00 or \_\_\_\_\_ % (1.5% if left blank) for General Repair Items ("General Repair Limit"); and
- (ii) up to \$ 2,000.00 or \_\_\_\_\_ % (1.5% if left blank) for WDO treatment and repairs ("WDO Repair Limit"); and
- (iii) up to \$ 1,000.00 or \_\_\_\_\_ % (1.5% if left blank) for costs associated with closing out open or expired building permits and obtaining required building permits for any existing improvement for which a permit was not obtained ("Permit Limit")

If, prior to Closing, Seller is unable to meet the Maintenance Requirement as required by Paragraph 11 or the repairs, replacements, treatments or permitting as required by Paragraph 12, then, sums equal to 125% of estimated costs to complete the applicable item(s) (but, not in excess of applicable General Repair, WDO Repair, and Permit Limits set forth above, if any) shall be escrowed at Closing. If actual costs of required repairs, replacements, treatment or permitting exceed applicable escrowed amounts, Seller shall pay such actual costs (but, not in excess of applicable General Repair, WDO Repair, and Permit Limits set forth above). Any unused portion of escrowed amount(s) shall be returned to Seller.



## 9.(b) Buyer's Closing Costs

Note HOA/condo application and transfer fees

- Sec. 720.30851(3) and 718.116(d), F.S.
  - Statutory requirements for content and cost of estoppel
- If Buyer pays and closing fails
  - Buyer can obtain a refund and
  - Seller is liable to association

### (b) COSTS TO BE PAID BY BUYER:

- Taxes and recording fees on notes and mortgages
- Recording fees for deed and financing statements
- Owner's Policy and Charges (if Paragraph 9(c)(ii) is checked)
- Survey (and elevation certification, if required)
- Lender's title policy and endorsements
- HOA/Condominium Association application/transfer fees
- Municipal lien search (if Paragraph 9(c) (ii) is checked)
- Other: \_\_\_\_\_
- Loan expenses
- Appraisal fees
- Buyer's Inspections
- Buyer's attorneys' fees
- All property related insurance
- Owner's Policy Premium (if Paragraph 9 (c) (iii) is checked.)

## 9.(c) Title Evidence and Insurance

- If Seller has owner's policy, must provide w/in 5 days after Effective Date
- Evidence of title = Commitment with legible copies of exceptions
- Title must conform with Standard A
- "municipal lien search" defined

(c) **TITLE EVIDENCE AND INSURANCE:** At least 15 (if left blank, then 15, or if Paragraph 8(a) is checked, then 5) days prior to Closing Date ("Title Evidence Deadline"), a title insurance commitment issued by a Florida licensed title insurer, with legible copies of instruments listed as exceptions attached thereto ("Title Commitment") and, after Closing, an owner's policy of title insurance (see STANDARD A for terms) shall be obtained and delivered to Buyer. If Seller has an owner's policy of title insurance covering the Real Property, a copy shall be furnished to Buyer and Closing Agent within 5 days after Effective Date. The owner's title policy premium, title search and closing services (collectively, "Owner's Policy and Charges") shall be paid, as set forth below. The title insurance premium charges for the owner's policy and any lender's policy will be calculated and allocated in accordance with Florida law, but may be reported differently on certain federally mandated closing disclosures and other closing documents. For purposes of this Contract "municipal lien search" means a search of records necessary for the owner's policy of title insurance to be issued without exception for unrecorded liens imposed pursuant to Chapters 159 or 170, F.S., in favor of any governmental body, authority or agency.

**Tip:** In a "Seller pays for buyer's owner's policy" closing, Seller must pay actual cost of owner's policy, not the (smaller) amount required to be shown on the CD under TRID rules.

## 9.(c) Title Evidence and Insurance (cont'd)

Who pays for owner's policy and endorsements, title search and closing services?

- 9.(c)i seller designates and pays – most common for Traditional closings
- 9.(c)ii buyer designates and pays – less common (Pinellas and Collier)
- 9.(c)iii Miami-Dade/Broward Regional Provision

### (CHECK ONE):

- (i) Seller shall designate Closing Agent and pay for Owner's Policy and Charges, and Buyer shall pay the premium for Buyer's lender's policy and charges for closing services related to the lender's policy, endorsements and loan closing, which amounts shall be paid by Buyer to Closing Agent or such other provider(s) as Buyer may select; or
- (ii) Buyer shall designate Closing Agent and pay for Owner's Policy and Charges and charges for closing services related to Buyer's lender's policy, endorsements and loan closing; or
- (iii) **[MIAMI-DADE/BROWARD REGIONAL PROVISION]**: Seller shall furnish a copy of a prior owner's policy of title insurance or other evidence of title and pay fees for: (A) a continuation or update of such title evidence, which is acceptable to Buyer's title insurance underwriter for reissue of coverage; (B) tax search; and (C) municipal lien search. Buyer shall obtain and pay for post-Closing continuation and premium for Buyer's owner's policy, and if applicable, Buyer's lender's policy. Seller shall not be obligated to pay more than \$\_\_\_\_\_ (if left blank, then \$200.00) for abstract continuation or title search ordered or performed by Closing Agent.

## 9.(d) Survey



- Buyer may purchase survey by Title Evidence Deadline [see para. 9(c)]
  - Objections due w/in 5 days of receipt of survey (Std. B)
- Seller must provide existing survey if one exists within 5 days after Effective date
  - Buyer may request affidavit of “no change” since prior survey (Std. B)

(d) **SURVEY:** On or before Title Evidence Deadline, Buyer may, at Buyer’s expense, have the Real Property surveyed and certified by a registered Florida surveyor (“Survey”). If Seller has a survey covering the Real Property, a copy shall be furnished to Buyer and Closing Agent within 5 days after Effective Date.

# 9.(e) Home Warranty

- Check box for home warranty & who pays
  - Fill in blank for warranty company
  - Fill in blank for maximum cost
- Repair or replacement due to normal wear & tear
  - Mechanical systems
  - Major built-in appliances



(e) **HOME WARRANTY:** At Closing,  Buyer  Seller  N/A shall pay for a home warranty plan issued by \_\_\_\_\_ Home Saver, Inc. \_\_\_\_\_ at a cost not to exceed \$ \_\_\_\_\_ 300.00 \_\_\_\_\_. A home warranty plan provides for repair or replacement of many of a home's mechanical systems and major built-in appliances in the event of breakdown due to normal wear and tear during the agreement's warranty period.

# 9(f) Special Assessments

## Traditional or AS IS Contract

### Cool Tip

- If representing Seller, consider favoring box (a)
- If representing Buyer, consider favoring box (b)

(f) **SPECIAL ASSESSMENTS:** At Closing, Seller shall pay: (i) the full amount of liens imposed by a public body (“public body” does not include a Condominium or Homeowner’s Association) that are certified, confirmed and ratified before Closing; and (ii) the amount of the public body’s most recent estimate or assessment for an improvement which is substantially complete as of Effective Date, but that has not resulted in a lien being imposed on the Property before Closing. Buyer shall pay all other assessments. If special assessments may be paid in installments **(CHECK ONE):**

(a) Seller shall pay installments due prior to Closing and Buyer shall pay installments due after Closing. Installments prepaid or due for the year of Closing shall be prorated.

(b) Seller shall pay, in full, prior to or at the time of Closing, any assessment(s) allowed by the public body to be prepaid. For any assessment(s) which the public body does not allow prepayment, OPTION (a) shall be deemed selected for such assessment(s).

IF NEITHER BOX IS CHECKED, THEN OPTION (a) SHALL BE DEEMED SELECTED.

This Paragraph 9(f) shall not apply to a special benefit tax lien imposed by a community development district (CDD) pursuant to Chapter 190, F.S., or special assessment(s) imposed by a special district pursuant to Chapter 189, F.S., which lien(s) or assessment(s) shall be prorated pursuant to STANDARD K.

# End of Part 1



# Paragraph 10. Disclosures (highlights)





# 10.(b) Permits



Except as disclosed in writing, Seller does not know of

- Improvements made without permits
- Permits not properly closed

If Seller identifies unpermitted improvements or open permits

- Seller to promptly deliver to Buyer all plans, written docs or other information within Seller's possession, knowledge or control relating to open or unpermitted improvements

(b) **PERMITS DISCLOSURE:** Except as may have been disclosed by Seller to Buyer in a written disclosure, Seller does not know of any improvements made to the Property which were made without required permits or made pursuant to permits which have not been properly closed. If Seller identifies permits which have not been properly closed or improvements which were not permitted, then Seller shall promptly deliver to Buyer all plans, written documentation or other information in Seller's possession, knowledge, or control relating to improvements to the Property which are the subject of such open permits or unpermitted improvements.

# 10.(d) Flood Zone; Elevation Certificate

Buyer advised to verify by elevation certificate showing

- Whether property is in federally identified flood zone
- Whether lender requires flood insurance
- Whether there are restrictions on improving or rebuilding after casualty occurs

If property within protected area and

- Lowest floor elevation is below minimum or
- Property ineligible for National Flood Insurance Program or private flood insurance
- Buyer may timely terminate contract

See riders – H Homeowners’/Flood Insurance & N Coastal Construction Control Line

(d) **FLOOD ZONE; ELEVATION CERTIFICATION:** Buyer is advised to verify by elevation certificate which flood zone the Property is in, whether flood insurance is required by Buyer’s lender, and what restrictions apply to improving the Property and rebuilding in the event of casualty. If Property is in a “Special Flood Hazard Area” or “Coastal Barrier Resources Act” designated area or otherwise protected area identified by the U.S. Fish and Wildlife Service under the Coastal Barrier Resources Act and the lowest floor elevation for the building(s) and/or flood insurance rating purposes is below minimum flood elevation or is ineligible for flood insurance coverage through the National Flood Insurance Program or private flood insurance as defined in 42 U.S.C. §4012a, Buyer may terminate this Contract by delivering written notice to Seller within \_\_\_\_\_ (if left blank, then 20) days after Effective Date, and Buyer shall be refunded the Deposit thereby releasing Buyer and Seller from all further obligations under this Contract, failing which Buyer accepts existing elevation of buildings and flood zone designation of Property. The National Flood Insurance Program may assess additional fees or adjust premiums for pre-Flood Insurance Rate Map (pre-FIRM) non-primary structures (residential structures in which the insured or spouse does not reside for at least 50% of the year) and an elevation certificate may be required for actuarial rating.

# 10.(g) HOA/Community Disclosure

Buyer should not execute contract until Buyer has received & read HOA/community disclosure



**(g) HOMEOWNERS' ASSOCIATION/COMMUNITY DISCLOSURE: BUYER SHOULD NOT EXECUTE THIS CONTRACT UNTIL BUYER HAS RECEIVED AND READ THE HOMEOWNERS' ASSOCIATION/COMMUNITY DISCLOSURE, IF APPLICABLE.**

# 10.(h) Property Tax disclosure summary

**WARNING:** current tax bill unreliable indicator of future assessment

- Reassessment
- Exemptions
- Save Our Homes



(h) **PROPERTY TAX DISCLOSURE SUMMARY:** BUYER SHOULD NOT RELY ON THE SELLER'S CURRENT PROPERTY TAXES AS THE AMOUNT OF PROPERTY TAXES THAT THE BUYER MAY BE OBLIGATED TO PAY IN THE YEAR SUBSEQUENT TO PURCHASE. A CHANGE OF OWNERSHIP OR PROPERTY IMPROVEMENTS TRIGGERS REASSESSMENTS OF THE PROPERTY THAT COULD RESULT IN HIGHER PROPERTY TAXES. IF YOU HAVE ANY QUESTIONS CONCERNING VALUATION, CONTACT THE COUNTY PROPERTY APPRAISER'S OFFICE FOR INFORMATION.

# 10.(i) FIRPTA

- Seller to inform Buyer in writing if Seller is “foreign person”
- Buyer & Seller agree to comply with FIRPTA
- Buyer & Seller advised to seek legal counsel & tax advice
- See Standard V. FIRPTA Tax Withholding

**Tip:** Current standard withholding is 15% of Seller’s amount realized

(i) **FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT (“FIRPTA”):** Seller shall inform Buyer in writing if Seller is a “foreign person” as defined by the Foreign Investment in Real Property Tax Act (“FIRPTA”). Buyer and Seller shall comply with FIRPTA, which may require Seller to provide additional cash at Closing. If Seller is not a “foreign person”, Seller can provide Buyer, at or prior to Closing, a certification of non-foreign status, under penalties of perjury, to inform Buyer and Closing Agent that no withholding is required. See STANDARD V for further information pertaining to FIRPTA. Buyer and Seller are advised to seek legal counsel and tax advice regarding their respective rights, obligations, reporting and withholding requirements pursuant to FIRPTA.

# Standard V.

**V. FIRPTA TAX WITHHOLDING:** If a seller of U.S. real property is a “foreign person” as defined by FIRPTA, Section 1445 of the Internal Revenue Code (“Code”) requires the buyer of the real property to withhold up to 15% of the amount realized by the seller on the transfer and remit the withheld amount to the Internal Revenue Service (IRS) unless an exemption to the required withholding applies or the seller has obtained a Withholding Certificate from the IRS authorizing a reduced amount of withholding.

(i) No withholding is required under Section 1445 of the Code if the Seller is not a “foreign person”. Seller can provide proof of non-foreign status to Buyer by delivery of written certification signed under penalties of perjury, stating that Seller is not a foreign person and containing Seller’s name, U.S. taxpayer identification number and home address (or office address, in the case of an entity), as provided for in 26 CFR 1.1445-2(b). Otherwise, Buyer shall withhold the applicable percentage of the amount realized by Seller on the transfer and timely remit said funds to the IRS.

(ii) If Seller is a foreign person and has received a Withholding Certificate from the IRS which provides for reduced or eliminated withholding in this transaction and provides same to Buyer by Closing, then Buyer shall withhold the reduced sum required, if any, and timely remit said funds to the IRS.

(iii) If prior to Closing Seller has submitted a completed application to the IRS for a Withholding Certificate and has provided to Buyer the notice required by 26 CFR 1.1445-1(c) (2)(i)(B) but no Withholding Certificate has been received as of Closing, Buyer shall, at Closing, withhold the applicable percentage of the amount realized by Seller on the transfer and, at Buyer’s option, either (a) timely remit the withheld funds to the IRS or (b) place the funds in escrow, at Seller’s expense, with an escrow agent selected by Buyer and pursuant to terms negotiated by the parties, to be subsequently disbursed in accordance with the Withholding Certificate issued by the IRS or remitted directly to the IRS if the Seller’s application is rejected or upon terms set forth in the escrow agreement.

(iv) In the event the net proceeds due Seller are not sufficient to meet the withholding requirement(s) in this transaction, Seller shall deliver to Buyer, at Closing, the additional COLLECTED funds necessary to satisfy the applicable requirement and thereafter Buyer shall timely remit said funds to the IRS or escrow the funds for disbursement in accordance with the final determination of the IRS, as applicable.

(v) Upon remitting funds to the IRS pursuant to this STANDARD, Buyer shall provide Seller copies of IRS Forms 8288 and 8288-A, as filed.

# 10.(j) Disclosures

- Seller knows of no facts materially affecting the value of the property which are not visible or which are not already disclosed to Buyer
  - *Johnson v. Davis*, 480 So. 2d 625 (Fla. 1986)
- Seller responsible for actual, not constructive knowledge
  - *Jensen v. Bailey*, 76 So. 3d 980 (Fla. 2011)
- Seller has not received any notice from a governmental entity or agency as to a currently uncorrected building, environmental or safety code violation



(j) **SELLER DISCLOSURE:** Seller knows of no facts materially affecting the value of the Real Property which are not readily observable and which have not been disclosed to Buyer. Except as otherwise disclosed in writing Seller has received no written or verbal notice from any governmental entity or agency as to a currently uncorrected building, environmental or safety code violation.

# Paragraphs 11-12

## Maintenance, Condition, Inspections & Examinations





# 11. Property Maintenance

- Seller required to maintain property in condition as of Effective Date except for
  - Ordinary wear and tear and
  - Casualty loss
- Specifically includes obligation to maintain
  - Lawn
  - Shrubbery
  - Pool



**11. PROPERTY MAINTENANCE:** Except for ordinary wear and tear and Casualty Loss, and those repairs, replacements or treatments required to be made by this Contract, Seller shall maintain the Property, including, but not limited to, lawn, shrubbery, and pool, in the condition existing as of Effective Date (“Maintenance Requirement”).

# 12.(a) Property Inspection and Repair (repair contract)

- Inspection at Buyer's expense
- Buyer must timely deliver written notice or Seller's obligations to repair waived
- Buyer shall repair damage caused by inspection & provide receipts, if contract does not close

## 12. PROPERTY INSPECTION AND REPAIR:

(a) **INSPECTION PERIOD:** Buyer shall have \_\_\_\_\_ (if left blank, then 15) days after Effective Date ("Inspection Period"), within which Buyer may, at Buyer's expense, conduct "General", "WDO", and "Permit" Inspections described below. If Buyer fails to timely deliver to Seller a written notice or report required by (b), (c), or (d) below, then, except for Seller's continuing Maintenance Requirement, Buyer shall have waived Seller's obligation(s) to repair, replace, treat or remedy the matters not inspected and timely reported. If this Contract does not close, Buyer shall repair all damage to Property resulting from Buyer's inspections, return Property to its pre-inspection condition and provide Seller with paid receipts for all work done on Property upon its completion.

## 12. PROPERTY INSPECTION; RIGHT TO CANCEL:

(a) **PROPERTY INSPECTIONS AND RIGHT TO CANCEL:** Buyer shall have \_\_\_\_\_ (if left blank, then 15) days after Effective Date ("Inspection Period") within which to have such inspections of the Property performed as Buyer shall desire during the Inspection Period. If Buyer determines, in Buyer's sole discretion, that the Property is not acceptable to Buyer, Buyer may terminate this Contract by delivering written notice of such election to Seller prior to expiration of Inspection Period. If Buyer timely terminates this Contract, the Deposit paid shall be returned to Buyer, thereupon, Buyer and Seller shall be released of all further obligations under this Contract; however, Buyer shall be responsible for prompt payment for such inspections, for repair of damage to, and restoration of, the Property resulting from such inspections, and shall provide Seller with paid receipts for all work done on the Property (the preceding provision shall survive termination of this Contract). Unless Buyer exercises the right to terminate granted herein, Buyer accepts the physical condition of the Property and any violation of governmental, building, environmental, and safety codes, restrictions, or requirements, but subject to Seller's continuing AS IS Maintenance Requirement, and Buyer shall be responsible for any and all repairs and improvements required by Buyer's lender.

## Tips:

- Time for measurements
- Take pictures

# 12.(b)(i) General Inspection

- Limited to items Seller is obligated to repair or replace as identified in (b)(ii)

**(b) GENERAL PROPERTY INSPECTION AND REPAIR:**

(i) **General Inspection:** Those items specified in Paragraph 12(b) (ii) below, which Seller is obligated to repair or replace (“General Repair Items”) may be inspected (“General Inspection”) by a person who specializes in and holds an occupational license (if required by law) to conduct home inspections or who holds a Florida license to repair and maintain the items inspected (“Professional Inspector”). Buyer shall, within the Inspection Period, inform Seller of any General Repair Items that are not in the condition required by (b)(ii) below by delivering to Seller a written notice and upon written request by Seller a copy of the portion of Professional Inspector’s written report dealing with such items.

## 12.(b)(ii) Property Condition

- Ceiling, roof, exterior/interior walls, doors, windows, foundation, pool, pool equipment, major appliances, etc.

(ii) **Property Condition:** The following items shall be free of leaks, water damage or structural damage: ceiling, roof (including fascia and soffits), exterior and interior walls, doors, windows, and foundation. The above items together with pool, pool equipment, non-leased major appliances, heating, cooling, mechanical, electrical, security, sprinkler, septic and plumbing systems and machinery, seawalls, and dockage, are, and shall be maintained until Closing, in “Working Condition” (defined below). Torn screens (including pool and patio screens), fogged windows, and missing roof tiles or shingles shall be repaired or replaced by Seller prior to Closing. Seller is not required to repair or replace “Cosmetic Conditions” (defined below), unless the Cosmetic Conditions resulted from a defect in an item Seller is obligated to repair or replace. “Working Condition” means operating in the manner in which the item was designed to operate. “Cosmetic Conditions” means aesthetic imperfections that do not affect Working Condition of the item, including, but not limited to: pitted marcite; tears, worn spots and discoloration of floor coverings, wallpapers, or window treatments; nail holes, scrapes, scratches, dents, chips or caulking in ceilings, walls, flooring, tile, fixtures, or mirrors; and minor cracks in walls, floor tiles, windows, driveways, sidewalks, pool decks, and garage and patio floors. Cracked roof tiles, curling or worn shingles, or limited roof life shall not be considered defects Seller must repair or replace, so long as there is no evidence of actual leaks, leakage or structural damage.

# 12.(b)(iii) General Property Repairs

- Repairs necessary to bring items into compliance with (b)(ii) within 10 days

(iii) **General Property Repairs:** Seller is only obligated to make such general repairs as are necessary to bring items into the condition specified in Paragraph 12(b) (ii) above. Seller shall within 10 days after receipt of Buyer's written notice or General Inspection report, either have the reported repairs to General Repair Items estimated by an appropriately licensed person and a copy delivered to Buyer, or have a second inspection made by a Professional Inspector and provide a copy of such report and estimates of repairs to Buyer. If Buyer's and Seller's inspection reports differ and the parties cannot resolve the differences, Buyer and Seller together shall choose, and equally split the cost of, a third Professional Inspector, whose written report shall be binding on the parties.

If cost to repair General Repair Items equals or is less than the General Repair Limit, Seller shall have repairs made in accordance with Paragraph 12(f). If cost to repair General Repair Items exceeds the General Repair Limit, then within 5 days after a party's receipt of the last estimate: (A) Seller may elect to pay the excess by delivering written notice to Buyer, or (B) Buyer may deliver written notice to Seller designating which repairs of General Repair Items Seller shall make (at a total cost to Seller not exceeding the General Repair Limit) and agreeing to accept the balance of General Repair Items in their "as is" condition, subject to Seller's continuing Maintenance Requirement. If neither party delivers such written notice to the other, then either party may terminate this Contract and Buyer shall be refunded the Deposit, thereby releasing Buyer and Seller from all further obligations under this Contract.

# Inspection Process

Paragraph 12(b)(iii) – General Property Repairs

## Seller v. Buyer General Inspection **SHOWDOWN**



# Traditional/Repair Contract Inspection “Showdown”

## Paragraph 12(b)(iii) (cont’d) – General Property Repairs

- If estimate within repair limits, Seller must make all repairs
- If estimate exceeds repair limits, Seller/Buyer “showdown” begins
  - Within the same 5-day period:
    - Seller can give notice agreeing to pay for all repairs
    - Buyer can give notice electing which repairs Seller must make
  - Buyer waits, hoping Seller agrees to pay for repairs beyond limits
  - Seller waits, hoping Buyer makes selection of repairs within limits
- If no one acts, either party may cancel; deposit returned to Buyer

If cost to repair General Repair Items equals or is less than the General Repair Limit, Seller shall have repairs made in accordance with Paragraph 12(f). If cost to repair General Repair Items exceeds the General Repair Limit, then within 5 days after a party's receipt of the last estimate: (A) Seller may elect to pay the excess by delivering written notice to Buyer, or (B) Buyer may deliver written notice to Seller designating which repairs of General Repair Items Seller shall make (at a total cost to Seller not exceeding the General Repair Limit) and agreeing to accept the balance of General Repair Items in their “as is” condition, subject to Seller’s continuing Maintenance Requirement. If neither party delivers such written notice to the other, then either party may terminate this Contract and Buyer shall be refunded the Deposit, thereby releasing Buyer and Seller from all further obligations under this Contract.

# 12.(c) WDO Inspection and Repair

- “WDO” includes termites, beetles, fungi
- Buyer shall deliver report w/in Inspection Period
- Seller shall deliver estimate w/in 10 days of report
- If previously treated and no visible live infestation, Seller transfers current warranty to Buyer

## (c) WOOD DESTROYING ORGANISM (“WDO”) INSPECTION AND REPAIR:

(i) **WDO Inspection:** The Property may be inspected by a Florida-licensed pest control business (“WDO Inspector”) to determine the existence of past or present WDO infestation and damage caused by infestation (“WDO Inspection”). Buyer shall, within the Inspection Period, deliver a copy of the WDO Inspector’s written report to Seller if any evidence of WDO infestation or damage is found. “Wood Destroying Organism” (“WDO”) means arthropod or plant life, including termites, powder-post beetles, oldhouse borers and wood-decaying fungi, that damages or infests seasoned wood in a structure, excluding fences.

(ii) **WDO Repairs:** If Seller previously treated the Property for the type of WDO found by Buyer’s WDO Inspection, Seller does not have to retreat the Property if there is no visible live infestation, and Seller, at Seller’s cost, transfers to Buyer at Closing a current full treatment warranty for the type of WDO found. Seller shall within 10 days after receipt of Buyer’s WDO Inspector’s report, have reported WDO damage estimated by an appropriately licensed person, necessary corrective treatment, if any, estimated by a WDO Inspector, and a copy delivered to Buyer. Seller shall have treatments and repairs made in accordance with Paragraph 12(f) below up to the WDO Repair Limit. If cost to treat and repair the WDO infestations and damage to Property exceeds the WDO Repair Limit, then within 5 days after receipt of Seller’s estimate, Buyer may deliver written notice to Seller agreeing to pay the excess, or designating which WDO repairs Seller shall make (at a total cost to Seller not exceeding the WDO Repair Limit), and accepting the balance of the Property in its “as is” condition with regard to WDO infestation and damage, subject to Seller’s continuing Maintenance Requirement. If Buyer does not deliver such written notice to Seller, then either party may terminate this Contract by written notice to the other, and Buyer shall be refunded the Deposit, thereby releasing Buyer and Seller from all further obligations under this Contract.





# 12.(d)(i) Permit Inspection

Within Inspection Period:

- Buyer shall provide written notice to Seller of open or expired permits or unpermitted work
- Seller shall deliver any plans, written docs, etc. in Seller's possession, knowledge, or control relating to permits or improvements

## (d) INSPECTION AND CLOSE-OUT OF BUILDING PERMITS:

(i) **Permit Inspection:** Buyer may have an inspection and examination of records and documents made to determine whether there exist any open or expired building permits or unpermitted improvements to the Property ("Permit Inspection"). Buyer shall, within the Inspection Period, deliver written notice to Seller of the existence of any open or expired building permits or unpermitted improvements to the Property. If Buyer's inspection of the Property identifies permits which have not been properly closed or improvements which were not permitted, then Seller shall promptly deliver to Buyer all plans, written documentation or other information in Seller's possession, knowledge, or control relating to improvements to the Property which are the subject of such open permits or unpermitted improvements.

# 12.(d)(ii) Close-Out of Building Permits

- Within 10 days of Buyer's Notice Seller shall deliver estimate to remedy
- Within 5 days of Closing Date Seller to obtain and close any required permits up to Permit Limit
- Seller to document remedy by Closing Date
- Closing may be extended up to 10 days for final inspections if gov't entity causes delay
- Or either party may terminate; deposit to Buyer

(ii) Close-Out of Building Permits: Seller shall, within 10 days after receipt of Buyer's Permit Inspection notice, have an estimate of costs to remedy Permit Inspection items prepared by an appropriately licensed person and a copy delivered to Buyer. No later than 5 days prior to Closing Date, Seller shall, up to the Permit Limit, have open and expired building permits identified by Buyer or known to Seller closed by the applicable governmental entity, and obtain and close any required building permits for improvements to the Property. Prior to Closing Date, Seller will provide Buyer with any written documentation that all open and expired building permits identified by Buyer or known to Seller have been closed out and that Seller has obtained and closed required building permits for improvements to the Property. If final permit inspections cannot be performed due to delays by the governmental entity, Closing Date shall be extended for up to 10 days to complete such final inspections, failing which, either party may terminate this Contract, and Buyer shall be refunded the Deposit, thereby releasing Buyer and Seller from all further obligations under this Contract.

If cost to close open or expired building permits or to remedy any permit violation of any governmental entity exceeds Permit Limit, then within 5 days after a party's receipt of estimates of cost to remedy: (A) Seller may elect to pay the excess by delivering written notice to Buyer; or (B) Buyer may deliver written notice to Seller accepting the Property in its "as is" condition with regard to building permit status and agreeing to receive credit from Seller at Closing in the amount of Permit Limit. If neither party delivers such written notice to the other, then either party may terminate this Contract and Buyer shall be refunded the Deposit, thereby releasing Buyer and Seller from all further obligations under this Contract.

# 12.(e) Walk-Through Inspection

- Buyer selects day prior or day of closing
- Buyer/Buyer's representative may inspect
- Confirm personal property present
- Verify Seller has maintained property as required (condition as of Effective Date)
- Verify Seller has made repairs/replacement
- Any other contract conditions
- Follow-up walk-through inspection if necessary



(e) **WALK-THROUGH INSPECTION/RE-INSPECTION:** On the day prior to Closing Date, or on Closing Date prior to time of Closing, as specified by Buyer, Buyer or Buyer's representative may perform a walk-through (and follow-up walk-through, if necessary) inspection of the Property solely to confirm that all items of Personal Property are on the Property and to verify that Seller has maintained the Property as required by the Maintenance Requirement, ~~has made repairs and replacements required by this Contract~~, and has met all other contractual obligations.

## 12.(f) Repair Standards

- Repairs/replacements done in a “good & workmanlike manner”
- By an appropriately licensed person
- In accordance with all legal requirements
- Materials or items same or better than that existing as of Effective Date
- All assignable repair, treatment & maintenance contracts/warranties assigned to Buyer at closing



**(f) REPAIR STANDARDS; ASSIGNMENT OF REPAIR AND TREATMENT CONTRACTS AND WARRANTIES:** All repairs and replacements shall be completed in a good and workmanlike manner by an appropriately licensed person, in accordance with all requirements of law, and shall consist of materials or items of quality, value, capacity and performance comparable to, or better than, that existing as of the Effective Date. Except as provided in Paragraph 12(c)(ii), at Buyer’s option and cost, Seller will, at Closing, assign all assignable repair, treatment and maintenance contracts and warranties to Buyer.

# Paragraphs 13-14 Escrow Agent and Broker



# Recall: Paragraph 2.

2. **PURCHASE PRICE** (U.S. currency):.....\$ 550,000.00
- (a) Initial deposit to be held in escrow in the amount of **(checks subject to COLLECTION)** .....\$ 10,000.00
- The initial deposit made payable and delivered to "Escrow Agent" named below  
**(CHECK ONE):** (i)  accompanies offer or (ii)  is to be made within \_\_\_\_\_ (if left blank, then 3) days after Effective Date. IF NEITHER BOX IS CHECKED, THEN OPTION (ii) SHALL BE DEEMED SELECTED.
- Escrow Agent Information: Name: Homefinders Realty Company  
Address: 5234 Nilla Lane, Orlando, FL  
Phone: (407) 333-6363 E-mail: rbaker@homefinders.co Fax: (407) 333-6366
- (b) Additional deposit to be delivered to Escrow Agent within \_\_\_\_\_ 3 \_\_\_\_\_ (if left blank, then 10) days after Effective Date .....\$ 40,000.00  
(All deposits paid or agreed to be paid, are collectively referred to as the "Deposit")
- (c) Financing: Express as a dollar amount or percentage ("Loan Amount") see Paragraph 8 .....\$ 410,000.00
- (d) Other: \_\_\_\_\_ \$ \_\_\_\_\_
- (e) Balance to close (not including Buyer's closing costs, prepaids and prorations) by wire transfer or other **COLLECTED** funds .....\$ 90,000.00

**NOTE: For the definition of "COLLECTION" or "COLLECTED" see STANDARD S.**

# 13. Escrow Agent and Broker

- Agent to deposit escrow funds promptly
- Hold in State of Florida
- Disburse pursuant to contract
- Not liable for mis-delivery absent willful breach or gross negligence
- May recover reasonable attorney's fees & costs in event of interpleader or if made party to proceeding
- Licensed real estate brokers to comply with Sec. 475, F.S. & FREC (Florida Real Estate Commission)

**13. ESCROW AGENT:** Any Closing Agent or Escrow Agent (collectively "Agent") receiving the Deposit, other funds and other items is authorized, and agrees by acceptance of them, to deposit them promptly, hold same in escrow within the State of Florida and, subject to **COLLECTION**, disburse them in accordance with terms and conditions of this Contract. Failure of funds to become **COLLECTED** shall not excuse Buyer's performance. When conflicting demands for the Deposit are received, or Agent has a good faith doubt as to entitlement to the Deposit, Agent may take such actions permitted by this Paragraph 13, as Agent deems advisable. If in doubt as to Agent's duties or liabilities under this Contract, Agent may, at Agent's option, continue to hold the subject matter of the escrow until the parties agree to its disbursement or until a final judgment of a court of competent jurisdiction shall determine the rights of the parties, or Agent may deposit same with the clerk of the circuit court having jurisdiction of the dispute. An attorney who represents a party and also acts as Agent may represent such party in such action. Upon notifying all parties concerned of such action, all liability on the part of Agent shall fully terminate, except to the extent of accounting for any items previously delivered out of escrow. If a licensed real estate broker, Agent will comply with provisions of Chapter 475, F.S., as amended and FREC rules to timely resolve escrow disputes through mediation, arbitration, interpleader or an escrow disbursement order. In any proceeding between Buyer and Seller wherein Agent is made a party because of acting as Agent hereunder, or in any proceeding where Agent interpleads the subject matter of the escrow, Agent shall recover reasonable attorney's fees and costs incurred, to be paid pursuant to court order out of the escrowed funds or equivalent. Agent shall not be liable to any party or person for mis-delivery of any escrowed items, unless such mis-delivery is due to Agent's willful breach of this Contract or Agent's gross negligence. This Paragraph 13 shall survive Closing or termination of this Contract.

# 14. Professional Advice; Broker Liability

## Broker

- Advises parties to verify all representations; seek professional advice
- Representations based upon Seller/public records

## Buyer/Seller

- Indemnify, hold harmless, & release broker
- Responsible for selection & payment of vendors even if the transaction does not close

**14. PROFESSIONAL ADVICE; BROKER LIABILITY:** Broker advises Buyer and Seller to verify Property condition, square footage, and all other facts and representations made pursuant to this Contract and to consult appropriate professionals for legal, tax, environmental, and other specialized advice concerning matters affecting the Property and the transaction contemplated by this Contract. Broker represents to Buyer that Broker does not reside on the Property and that all representations (oral, written or otherwise) by Broker are based on Seller representations or public records. **BUYER AGREES TO RELY SOLELY ON SELLER, PROFESSIONAL INSPECTORS AND GOVERNMENTAL AGENCIES FOR VERIFICATION OF PROPERTY CONDITION, SQUARE FOOTAGE AND FACTS THAT MATERIALLY AFFECT PROPERTY VALUE AND NOT ON THE REPRESENTATIONS (ORAL, WRITTEN OR OTHERWISE) OF BROKER.** Buyer and Seller (individually, the "Indemnifying Party") each individually indemnifies, holds harmless, and releases Broker and Broker's officers, directors, agents and employees from all liability for loss or damage, including all costs and expenses, and reasonable attorney's fees at all levels, suffered or incurred by Broker and Broker's officers, directors, agents and employees in connection with or arising from claims, demands or causes of action instituted by Buyer or Seller based on: (i) inaccuracy of information provided by the Indemnifying Party or from public records; (ii) Indemnifying Party's misstatement(s) or failure to perform contractual obligations; (iii) Broker's performance, at Indemnifying Party's request, of any task beyond the scope of services regulated by Chapter 475, F.S., as amended, including Broker's referral, recommendation or retention of any vendor for, or on behalf of, Indemnifying Party; (iv) products or services provided by any such vendor for, or on behalf of, Indemnifying Party; and (v) expenses incurred by any such vendor. Buyer and Seller each assumes full responsibility for selecting and compensating their respective vendors and paying their other costs under this Contract whether or not this transaction closes. This Paragraph 14 will not relieve Broker of statutory obligations under Chapter 475, F.S., as amended. For purposes of this Paragraph 14, Broker will be treated as a party to this Contract. This Paragraph 14 shall survive Closing or termination of this Contract.



# Paragraphs 15-17

## Default & Dispute Resolution



# 15.(a) Buyer Default

## 15(a) Buyer Default –What are Seller’s options?

- Seller may elect to retain Deposit (paid and agreed to be paid) or
- Proceed in equity to enforce contract (specific performance)

### 15. DEFAULT:

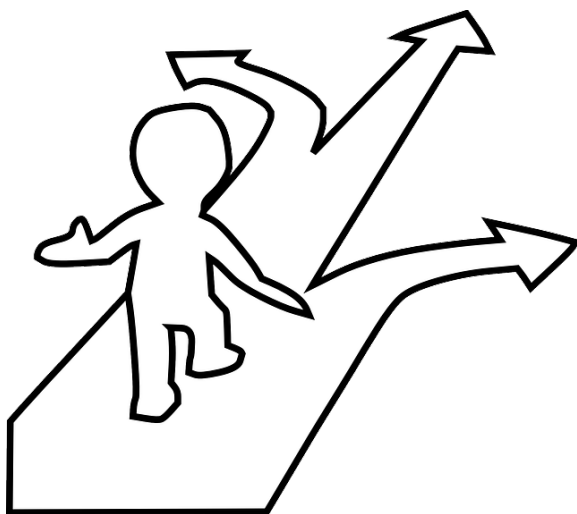
(a) **BUYER DEFAULT:** If Buyer fails, neglects or refuses to perform Buyer’s obligations under this Contract, including payment of the Deposit, within the time(s) specified, Seller may elect to recover and retain the Deposit for the account of Seller as agreed upon liquidated damages, consideration for execution of this Contract, and in full settlement of any claims, whereupon Buyer and Seller shall be relieved from all further obligations under this Contract, or Seller, at Seller’s option, may, pursuant to Paragraph 16, proceed in equity to enforce Seller’s rights under this Contract. The portion of the Deposit, if any, paid to Listing Broker upon default by Buyer, shall be split equally between Listing Broker and Cooperating Broker; provided however, Cooperating Broker’s share shall not be greater than the commission amount Listing Broker had agreed to pay to Cooperating Broker.

# 15.(b) Seller Default

## 15(b) Seller Default –What are Buyer’s options?

- Buyer may elect return of Deposit and
- May also sue for damages, or
- Proceed in equity to enforce contract (specific performance)

(b) **SELLER DEFAULT:** If for any reason other than failure of Seller to make Seller’s title marketable after reasonable diligent effort, Seller fails, neglects or refuses to perform Seller’s obligations under this Contract, Buyer may elect to receive return of Buyer’s Deposit without thereby waiving any action for damages resulting from Seller’s breach, and, pursuant to Paragraph 16, may seek to recover such damages or seek specific performance.



# 16. Dispute Resolution

- 10-day “cooling off” period upon “conflicting demands”
- Then to mediation
- Parties split mediation costs and pay own fees
- Provision survives Closing or termination

**16. DISPUTE RESOLUTION:** Unresolved controversies, claims and other matters in question between Buyer and Seller arising out of, or relating to, this Contract or its breach, enforcement or interpretation (“Dispute”) will be settled as follows:

- (a) Buyer and Seller will have 10 days after the date conflicting demands for the Deposit are made to attempt to resolve such Dispute, failing which, Buyer and Seller shall submit such Dispute to mediation under Paragraph 16(b).
- (b) Buyer and Seller shall attempt to settle Disputes in an amicable manner through mediation pursuant to Florida Rules for Certified and Court-Appointed Mediators and Chapter 44, F.S., as amended (the “Mediation Rules”). The mediator must be certified or must have experience in the real estate industry. Injunctive relief may be sought without first complying with this Paragraph 16(b). Disputes not settled pursuant to this Paragraph 16 may be resolved by instituting action in the appropriate court having jurisdiction of the matter. This Paragraph 16 shall survive Closing or termination of this Contract.

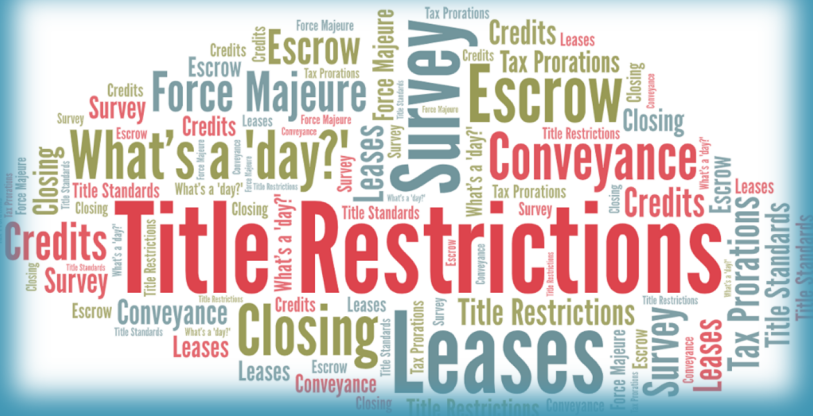
# 17. Attorney's Fees and Costs

- If mediation fails litigation permitted
- Prevailing party entitled to costs including attorneys' fees
- Provision survives Closing or termination

**17. ATTORNEY'S FEES; COSTS:** The parties will split equally any mediation fee incurred in any mediation permitted by this Contract, and each party will pay their own costs, expenses and fees, including attorney's fees, incurred in conducting the mediation. In any litigation permitted by this Contract, the prevailing party shall be entitled to recover from the non-prevailing party costs and fees, including reasonable attorney's fees, incurred in conducting the litigation. This Paragraph 17 shall survive Closing or termination of this Contract.



# Paragraphs 18 Standards (highlights)



## 18. A.(i) Title Evidence; Restrictions; Easements; Limitations

- Seller to discharge issues shown in Commitment
- Marketable title determined by Standards & law
- Owner's policy subject to
  - a) Use restrictions
  - b) Matters of plat/subdivision
  - c) Mineral rights w/o right of entry
  - d) Unplatted utility easements of record
  - e) Taxes for year of closing forward
  - f) Assumed & PM mortgages
- Violations of restrictions above = title defect
- Restrictions do not prevent residential use

### 18. STANDARDS:

#### A. TITLE:

(i) **TITLE EVIDENCE; RESTRICTIONS; EASEMENTS; LIMITATIONS:** Within the time period provided in Paragraph 9(c), the Title Commitment, with legible copies of instruments listed as exceptions attached thereto, shall be issued and delivered to Buyer. The Title Commitment shall set forth those matters to be discharged by Seller at or before Closing and shall provide that, upon recording of the deed to Buyer, an owner's policy of title insurance in the amount of the Purchase Price, shall be issued to Buyer insuring Buyer's marketable title to the Real Property, subject only to the following matters: (a) comprehensive land use plans, zoning, and other land use restrictions, prohibitions and requirements imposed by governmental authority; (b) restrictions and matters appearing on the Plat or otherwise common to the subdivision; (c) outstanding oil, gas and mineral rights of record without right of entry; (d) unplatted public utility easements of record (located contiguous to real property lines and not more than 10 feet in width as to rear or front lines and 7 1/2 feet in width as to side lines); (e) taxes for year of Closing and subsequent years; and (f) assumed mortgages and purchase money mortgages, if any (if additional items, attach addendum); provided, that, unless waived by Paragraph 12 (a), there exists at Closing no violation of the foregoing and none prevent use of the Property for **RESIDENTIAL PURPOSES**. If there exists at Closing any violation of items identified in (b) – (f) above, then the same shall be deemed a title defect. Marketable title shall be determined according to applicable Title Standards adopted by authority of The Florida Bar and in accordance with law.

## 18. A.(ii) Title Examination

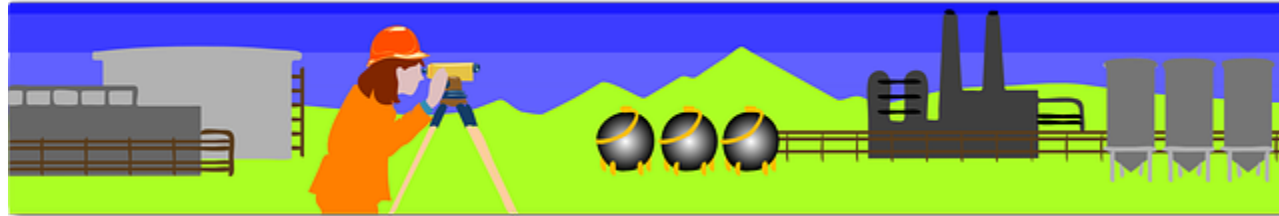
- Buyer has 5 days from receipt of Title Commitment to raise title objection or waived
- Seller has 30 days to cure by diligent effort & deliver written notice to Buyer
- If Commitment delivered < 5 days before Closing; Buyer may extend Closing 5 days
- If no timely cure, Buyer has 5 days after Cure Period to extend, waive, or terminate

(ii) TITLE EXAMINATION: Buyer shall have 5 days after receipt of Title Commitment to examine it and notify Seller in writing specifying defect(s), if any, that render title unmarketable. If Seller provides Title Commitment and it is delivered to Buyer less than 5 days prior to Closing Date, Buyer may extend Closing for up to 5 days after date of receipt to examine same in accordance with this STANDARD A. Seller shall have 30 days (“Cure Period”) after receipt of Buyer’s notice to take reasonable diligent efforts to remove defects. If Buyer fails to so notify Seller, Buyer shall be deemed to have accepted title as it then is. If Seller cures defects within Cure Period, Seller will deliver written notice to Buyer (with proof of cure acceptable to Buyer and Buyer’s attorney) and the parties will close this Contract on Closing Date (or if Closing Date has passed, within 10 days after Buyer’s receipt of Seller’s notice). If Seller is unable to cure defects within Cure Period, then Buyer may, within 5 days after expiration of Cure Period, deliver written notice to Seller: (a) extending Cure Period for a specified period not to exceed 120 days within which Seller shall continue to use reasonable diligent effort to remove or cure the defects (“Extended Cure Period”); or (b) electing to accept title with existing defects and close this Contract on Closing Date (or if Closing Date has passed, within the earlier of 10 days after end of Extended Cure Period or Buyer’s receipt of Seller’s notice), or (c) electing to terminate this Contract and receive a refund of the Deposit, thereby releasing Buyer and Seller from all further obligations under this Contract. If after reasonable diligent effort, Seller is unable to timely cure defects, and Buyer does not waive the defects, this Contract shall terminate, and Buyer shall receive a refund of the Deposit, thereby releasing Buyer and Seller from all further obligations under this Contract.



## 18. B. Survey

- Buyer has 5 days after receipt of Survey (no later than Closing) to deliver notice of encroachments or violations
- If Seller has provided prior survey, will provide “no change” affidavit
- Recall: Seller has 5 days after Effective Date to provide prior Survey



**B. SURVEY:** If Survey discloses encroachments on the Real Property or that improvements located thereon encroach on setback lines, easements, or lands of others, or violate any restrictions, covenants, or applicable governmental regulations described in STANDARD A (i)(a), (b) or (d) above, Buyer shall deliver written notice of such matters, together with a copy of Survey, to Seller within 5 days after Buyer's receipt of Survey, but no later than Closing. If Buyer timely delivers such notice and Survey to Seller, such matters identified in the notice and Survey shall constitute a title defect, subject to cure obligations of STANDARD A above. If Seller has delivered a prior survey, Seller shall, at Buyer's request, execute an affidavit of "no change" to the Real Property since the preparation of such prior survey, to the extent the affirmations therein are true and correct.

## 18. D. Lease Information

- Seller shall provide tenant/occupant estoppel letters at least 10 days prior to Closing Or Seller can provide affidavit and Buyer may contact tenants to confirm
- Buyer may terminate up to 5 days before Closing if information materially different from Seller representations

**D. LEASE INFORMATION:** Seller shall, at least 10 days prior to Closing, furnish to Buyer estoppel letters from tenant(s)/occupant(s) specifying nature and duration of occupancy, rental rates, advanced rent and security deposits paid by tenant(s) or occupant(s) (“Estoppel Letter(s)”). If Seller is unable to obtain such Estoppel Letter(s), the same information shall be furnished by Seller to Buyer within that time period in the form of a Seller’s affidavit, and Buyer may thereafter contact tenant(s) or occupant(s) to confirm such information. If Estoppel Letter(s) or Seller’s affidavit, if any, differ materially from Seller’s representations and lease(s) provided pursuant to Paragraph 6, or if tenant(s)/occupant(s) fail or refuse to confirm Seller’s affidavit, Buyer may deliver written notice to Seller within 5 days after receipt of such information, but no later than 5 days prior to Closing Date, terminating this Contract and receive a refund of the Deposit, thereby releasing Buyer and Seller from all further obligations under this Contract. Seller shall, at Closing, deliver and assign all leases to Buyer who shall assume Seller’s obligations thereunder.

# 18 F. Time

- Calendar days unless
  - Period ends on Saturday, Sunday, or when national legal holiday observed
    - Then next calendar day
    - FR/Bar 6 eliminates “5 pm”
- Time is of the essence
- FR/Bar 6 now specifies location of property (time zone) determines time
- **Tip: Florida Realtors (FR) contract uses business days**

**F. TIME: Time is of the essence in this Contract.** Calendar days, based on where the Property is located, shall be used in computing time periods. Other than time for acceptance and Effective Date as set forth in Paragraph 3, any time periods provided for or dates specified in this Contract, whether preprinted, handwritten, typewritten or inserted herein, which shall end or occur on a Saturday, Sunday, national legal public holiday (as defined in 5 U.S.C. Sec. 6103(a)), or a day on which a national legal public holiday is observed because it fell on a Saturday or Sunday, shall extend to the next calendar day which is not a Saturday, Sunday, national legal public holiday, or a day on which a national legal public holiday is observed.

# Title Standard G

- FR/Bar 6 adds to definition
  - Governmental actions, mandates, and shutdowns
  - Epidemics and pandemics

**G. FORCE MAJEURE:** Buyer or Seller shall not be required to exercise or perform any right or obligation under this Contract or be liable to each other for damages so long as performance or non-performance of the right or obligation, or the availability of services, insurance, or required approvals essential to Closing, is disrupted, delayed, caused or prevented by a Force Majeure event. "Force Majeure" means: hurricanes, floods, extreme weather, earthquakes, fires, or other acts of God, unusual transportation delays, wars, insurrections, civil unrest, or acts of terrorism, governmental actions and mandates, government shut downs, epidemics, or pandemics, which, by exercise of reasonable diligent effort, the non-performing party is unable in whole or in part to prevent or overcome. The Force Majeure event will be deemed to have begun on the first day the effect of the Force Majeure prevents performance, non-performance, or the availability of services, insurance or required approvals essential to Closing. All time periods affected by the Force Majeure event, including Closing Date, will be extended a reasonable time up to 7 days after the Force Majeure event no longer prevents performance under this Contract; provided, however, if such Force Majeure event continues to prevent performance under this Contract more than 30 days beyond Closing Date, then either party may terminate this Contract by delivering written notice to the other and the Deposit shall be refunded to Buyer, thereby releasing Buyer and Seller from all further obligations under this Contract.

# 18. H. Conveyance

- Seller shall convey “marketable title”
- Buyer may request a bill of sale for personal property
- By
  - Statutory warranty deed
  - Trustee’s deed
  - Personal representative’s deed
  - Guardian’s deed



**H. CONVEYANCE:** Seller shall convey marketable title to the Real Property by statutory warranty, trustee’s, personal representative’s, or guardian’s deed, as appropriate to the status of Seller, subject only to matters described in STANDARD A and those accepted by Buyer. Personal Property shall, at request of Buyer, be transferred by absolute bill of sale with warranty of title, subject only to such matters as may be provided for in this Contract.

# 18. I. Closing

## (i) Location

- County where property is located
- Agent's office or
- As agreed
- Mail, overnight courier, or electronic means allowed

## (ii) Closing documents – who is responsible

### (iii) FinCEN GTO Notice

- Buyer to cooperate

### (iv) Procedure

- Collection prior to recording & disbursing
- Escrow Procedure J waived if “gap” insured

#### **I. CLOSING LOCATION; DOCUMENTS; AND PROCEDURE:**

(i) **LOCATION:** Closing will be conducted by the attorney or other closing agent (“Closing Agent”) designated by the party paying for the owner’s policy of title insurance and will take place in the county where the Real Property is located at the office of the Closing Agent, or at such other location agreed to by the parties. If there is no title insurance, Seller will designate Closing Agent. Closing may be conducted by mail, overnight courier, or electronic means.

(ii) **CLOSING DOCUMENTS:** Seller shall, at or prior to Closing, execute and deliver, as applicable, deed, bill of sale, certificate(s) of title or other documents necessary to transfer title to the Property, construction lien affidavit(s), owner’s possession and no lien affidavit(s), and assignment(s) of leases. Seller shall provide Buyer with paid receipts for all work done on the Property pursuant to this Contract. Buyer shall furnish and pay for, as applicable, the survey, flood elevation certification, and documents required by Buyer’s lender.

(iii) **FinCEN GTO NOTICE.** If Closing Agent is required to comply with the U.S. Treasury Department’s Financial Crimes Enforcement Network (“FinCEN”) Geographic Targeting Orders (“GTOs”), then Buyer shall provide Closing Agent with the information related to Buyer and the transaction contemplated by this Contract that is required to complete IRS Form 8300, and Buyer consents to Closing Agent’s collection and report of said information to IRS.

(iv) **PROCEDURE:** The deed shall be recorded upon **COLLECTION** of all closing funds. If the Title Commitment provides insurance against adverse matters pursuant to Section 627.7841, F.S., as amended, the escrow closing procedure required by STANDARD J shall be waived, and Closing Agent shall, **subject to COLLECTION of all closing funds**, disburse at Closing the brokerage fees to Broker and the net sale proceeds to Seller.

# 18. J. Escrow Closing Procedure

- Calls for 10-day escrow of Closing proceeds if the “gap” not insured
- Sec. 627.7841, F.S. requires the gap be insured

**J. ESCROW CLOSING PROCEDURE:** If Title Commitment issued pursuant to Paragraph 9(c) does not provide for insurance against adverse matters as permitted under Section 627.7841, F.S., as amended, the following escrow and closing procedures shall apply: (1) all Closing proceeds shall be held in escrow by the Closing Agent for a period of not more than 10 days after Closing; (2) if Seller’s title is rendered unmarketable, through no fault of Buyer, Buyer shall, within the 10 day period, notify Seller in writing of the defect and Seller shall have 30 days from date of receipt of such notification to cure the defect; (3) if Seller fails to timely cure the defect, the Deposit and all Closing funds paid by Buyer shall, within 5 days after written demand by Buyer, be refunded to Buyer and, simultaneously with such repayment, Buyer shall return the Personal Property, vacate the Real Property and re-convey the Property to Seller by special warranty deed and bill of sale; and (4) if Buyer fails to make timely demand for refund of the Deposit, Buyer shall take title as is, waiving all rights against Seller as to any intervening defect except as may be available to Buyer by virtue of warranties contained in the deed or bill of sale.

**627.7841 Insurance against adverse matters or defects in the title.**—If a title insurer issuing a commitment or policy of title insurance upon an estate, lien, or interest in property located in this state through its officers, employees, agents, or agencies disburses settlement or closing funds, the title insurer shall insure against the possible existence of adverse matters or defects in the title which are recorded during the period of time between the effective date of the commitment and the date of recording of the document creating the estate or interest to be insured, except as to matters of which the insured has knowledge.

## 18. K. Prorations; Credits

- R.E. taxes, CDD, bonds, association fees, insurance, rents, etc. to be made current
- Taxes prorated based on current year to the extent available; prior year where not
- Prorations based on estimates readjusted at either party's request, even after closing

**K. PRORATIONS; CREDITS:** The following recurring items will be made current (if applicable) and prorated as of the day prior to Closing Date, or date of occupancy if occupancy occurs before Closing Date: real estate taxes (including special benefit tax assessments imposed by a CDD), interest, bonds, association fees, insurance, rents and other expenses of Property. Buyer shall have option of taking over existing policies of insurance, if assumable, in which event premiums shall be prorated. Cash at Closing shall be increased or decreased as may be required by prorations to be made through day prior to Closing. Advance rent and security deposits, if any, will be credited to Buyer. Escrow deposits held by Seller's mortgagee will be paid to Seller. Taxes shall be prorated based on current year's tax. If Closing occurs on a date when current year's millage is not fixed but current year's assessment is available, taxes will be prorated based upon such assessment and prior year's millage. If current year's assessment is not available, then taxes will be prorated on prior year's tax. If there are completed improvements on the Real Property by January 1st of year of Closing, which improvements were not in existence on January 1<sup>st</sup> of prior year, then taxes shall be prorated based upon prior year's millage and at an equitable assessment to be agreed upon between the parties, failing which, request shall be made to the County Property Appraiser for an informal assessment taking into account available exemptions. In all cases, due allowance shall be made for the maximum allowable discounts and applicable homestead and other exemptions. A tax proration based on an estimate shall, at either party's request, be readjusted upon receipt of current year's tax bill. This STANDARD K shall survive Closing.



## 18. L. Access to Property

- Upon reasonable notice, Seller shall provide access for
- Utilities service
- Appraisals
- Inspections
- Final walk-through
- Follow-up walk-through if needed



**L. ACCESS TO PROPERTY TO CONDUCT APPRAISALS, INSPECTIONS, AND WALK-THROUGH:** Seller shall, upon reasonable notice, provide utilities service and access to Property for appraisals and inspections, including a walk-through (or follow-up walk-through if necessary) prior to Closing.

# 18. M. Risk of Loss



- Remains with Seller until closing up to 1.5% of Purchase Price
- If property not restored by closing 125% of estimated cost escrowed
- Where damage in excess of 1.5%, Buyer can accept property “as is” or terminate

**M. RISK OF LOSS:** If, after Effective Date, but before Closing, Property is damaged by fire or other casualty (“Casualty Loss”) and cost of restoration (which shall include cost of pruning or removing damaged trees) does not exceed 1.5% of Purchase Price, cost of restoration shall be an obligation of Seller and Closing shall proceed pursuant to terms of this Contract. If restoration is not completed as of Closing, a sum equal to 125% of estimated cost to complete restoration (not to exceed 1.5% of Purchase Price) will be escrowed at Closing. If actual cost of restoration exceeds escrowed amount, Seller shall pay such actual costs (but, not in excess of 1.5% of Purchase Price). Any unused portion of escrowed amount shall be returned to Seller. If cost of restoration exceeds 1.5% of Purchase Price, Buyer shall elect to either take Property “as is” together with the 1.5%, or receive a refund of the Deposit thereby releasing Buyer and Seller from all further obligations under this Contract. Seller’s sole obligation with respect to tree damage by casualty or other natural occurrence shall be cost of pruning or removal.

# 18. O. Contract Not Recordable; Persons Bound; Notice; Delivery; Copies; Contract Execution

- Notice to attorney or broker is same as to party
- Notice must be in writing, made by
  - Mail
  - Personal delivery
  - Electronic – PDF
- Faxed & e-mailed signatures same as original
- Electronic signatures have same effect as written signatures
  - Sec. 668.004, F.S.



**O. CONTRACT NOT RECORDABLE; PERSONS BOUND; NOTICE; DELIVERY; COPIES; CONTRACT EXECUTION:** Neither this Contract nor any notice of it shall be recorded in any public records. This Contract shall be binding on, and inure to the benefit of, the parties and their respective heirs or successors in interest. Whenever the context permits, singular shall include plural and one gender shall include all. Notice and delivery given by or to the attorney or broker (including such broker's real estate licensee) representing any party shall be as effective as if given by or to that party. All notices must be in writing and may be made by mail, personal delivery or electronic (including "pdf") media. A facsimile or electronic (including "pdf") copy of this Contract and any signatures hereon shall be considered for all purposes as an original. This Contract may be executed by use of electronic signatures, as determined by Florida's Electronic Signature Act and other applicable laws.

# 18. P., Q., R. Integration, Waiver, Riders

**P. INTEGRATION; MODIFICATION:** This Contract contains the full and complete understanding and agreement of Buyer and Seller with respect to the transaction contemplated by this Contract and no prior agreements or representations shall be binding upon Buyer or Seller unless included in this Contract. No modification to or change in this Contract shall be valid or binding upon Buyer or Seller unless in writing and executed by the parties intended to be bound by it.

- Contract is full & complete understanding
- No modification except in writing executed by parties to be bound

**Q. WAIVER:** Failure of Buyer or Seller to insist on compliance with, or strict performance of, any provision of this Contract, or to take advantage of any right under this Contract, shall not constitute a waiver of other provisions or rights.

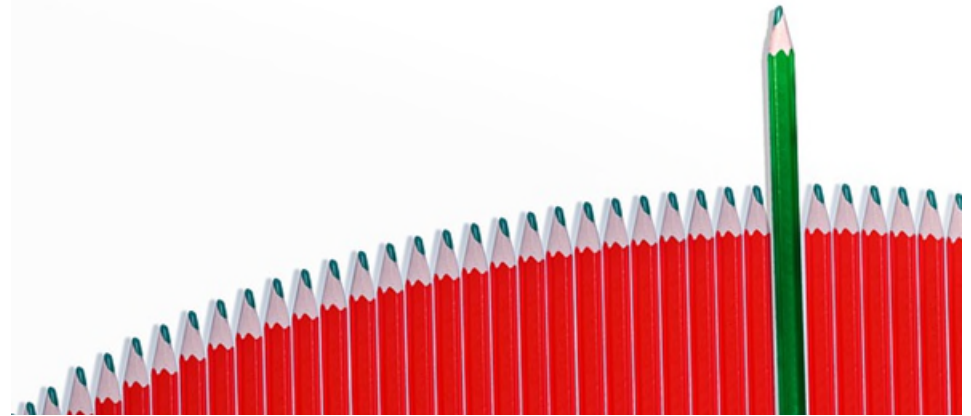
- Failure to insist on strict compliance is not a waiver

**R. RIDERS; ADDENDA; TYPEWRITTEN OR HANDWRITTEN PROVISIONS:** Riders, addenda, and typewritten or handwritten provisions shall control all printed provisions of this Contract in conflict with them.

- Riders, addenda, typewritten or handwritten provisions control all printed provisions where there is conflict

## 18. X: “AS IS” Fr/Bar Contract only

- Clarifies Buyer’s waiver applies only to physical defects (not title or survey defects)
- Confirms Seller still must comply with *Johnson v. Davis* requirement in paragraph 10(j)
- Survives closing



**X. BUYER WAIVER OF CLAIMS:** *To the extent permitted by law, Buyer waives any claims against Seller and against any real estate licensee involved in the negotiation of this Contract for any damage or defects pertaining to the physical condition of the Property that may exist at Closing of this Contract and be subsequently discovered by the Buyer or anyone claiming by, through, under or against the Buyer. This provision does not relieve Seller’s obligation to comply with Paragraph 10(j). This Standard X shall survive Closing.*

# FR/Bar 6x Foreign Buyers

In 2023 FL Legislature passed SB-264 modifying Ch. 692 F.S.

- Limits land purchased by buyers associated w/ “foreign countries of concern”
  - People’s Republic of China
  - Russian Federation
  - Islamic Republic of Iran
  - Democratic People’s Republic of Korea
  - Republic of Cuba
  - Venezuelan Regime of Nicolas Maduro
  - Syrian Arab Republic

FR/Bar “6x” gives notice

- Buyer must provide signed affidavit required by the new law
- Settlement agents not liable so long as they do not knowingly violate the law

696

697 **THIS IS INTENDED TO BE A LEGALLY BINDING CONTRACT. IF NOT FULLY UNDERSTOOD, SEEK THE ADVICE**  
698 **OF AN ATTORNEY PRIOR TO SIGNING.**

699 **THIS FORM HAS BEEN APPROVED BY THE FLORIDA REALTORS AND THE FLORIDA BAR.**

700 *Approval of this form by the Florida Realtors and The Florida Bar does not constitute an opinion that any of the terms*  
701 *and conditions in this Contract should be accepted by the parties in a particular transaction. Terms and conditions*  
702 *should be negotiated based upon the respective interests, objectives and bargaining positions of all interested persons.*

703 AN ASTERISK (\*) FOLLOWING A LINE NUMBER IN THE MARGIN INDICATES THE LINE CONTAINS A BLANK TO  
704 BE COMPLETED.

705

**ATTENTION: SELLER AND BUYER**

706

**CONVEYANCES TO FOREIGN BUYERS:** Part III of Chapter 692, Sections 692.201 - 692.205, Florida Statutes, 2023  
707 (the “Act”), in part, limits and regulates the sale, purchase and ownership of certain Florida properties by certain buyers

707

**ATTENTION: SELLER AND BUYER**

**CONVEYANCES TO FOREIGN BUYERS:** Part III of Chapter 692, Sections 692.201 - 692.205, Florida Statutes, 2023 (the “Act”), in part, limits and regulates the sale, purchase and ownership of certain Florida properties by certain buyers who are associated with a “foreign country of concern”, namely: the People’s Republic of China, the Russian Federation, the Islamic Republic of Iran, the Democratic People’s Republic of Korea, the Republic of Cuba, the Venezuelan regime of Nicolás Maduro, or the Syrian Arab Republic. **It is a crime to buy or knowingly sell property in violation of the Act.**

**At time of purchase, Buyer must provide a signed affidavit which complies with the requirements of the Act.** Seller and Buyer are advised to seek legal counsel regarding their respective obligations and liabilities under the Act.

718

Buyer’s address for purposes of notice

Seller’s address for purposes of notice

719\*

720\*

721\*

722

**BROKER:** Listing and Cooperating Brokers, if any, named below (collectively, “Broker”), are the only Brokers entitled to compensation in connection with this Contract. Instruction to Closing Agent: Seller and Buyer direct Closing Agent to disburse at Closing the full amount of the brokerage fees as specified in separate brokerage agreements with the parties and cooperative agreements between the Brokers, except to the extent Broker has retained such fees from the escrowed funds. This Contract shall not modify any MLS or other offer of compensation made by Seller or Listing Broker to Cooperating Brokers.

728\*

Cooperating Sales Associate, if any

Listing Sales Associate

729

730\*

Cooperating Broker, if any

Listing Broker

731



# Paragraphs 19-20 Riders (Addenda) & Additional Terms



# 19. Addenda or “Riders”

- Can convert Standard to “AS IS”
- Appraisal contingency
- Attorney approval?
- Sale of Buyer’s Property?
- Blank lines

**19. ADDENDA:** The following additional terms are included in the attached addenda or riders and incorporated into this Contract (**Check if applicable**):

- |  |   |   |
|--|---|---|
| <input type="checkbox"/> A. Condominium Rider                | <input type="checkbox"/> K. “As Is”                           | <input type="checkbox"/> T. Pre-Closing Occupancy                               |
| <input checked="" type="checkbox"/> B. Homeowners’ Assn.     | <input type="checkbox"/> L. Right to Inspect/ Cancel          | <input type="checkbox"/> U. Post-Closing Occupancy                              |
| <input type="checkbox"/> C. Seller Financing                 | <input type="checkbox"/> M. Defective Drywall                 | <input checked="" type="checkbox"/> V. Sale of Buyer’s Property                 |
| <input type="checkbox"/> D. Mortgage Assumption              | <input type="checkbox"/> N. Coastal Construction Control Line | <input type="checkbox"/> W. Back-up Contract                                    |
| <input type="checkbox"/> E. FHAVA Financing                  | <input type="checkbox"/> O. Insulation Disclosure             | <input checked="" type="checkbox"/> X. Kick-out Clause <i>5-20-2019 RBC/SC</i>  |
| <input checked="" type="checkbox"/> F. Appraisal Contingency | <input type="checkbox"/> P. Lead Paint Disclosure (Pre-1978)  | <input type="checkbox"/> Y. Seller’s Attorney Approval <i>5-21-2019</i>         |
| <input type="checkbox"/> G. Short Sale                       | <input type="checkbox"/> Q. Housing for Older Persons         | <input checked="" type="checkbox"/> Z. Buyer’s Attorney Approval <i>EJB/PMB</i> |
| <input type="checkbox"/> H. Homeowners’/Flood Ins            | <input type="checkbox"/> R. Rezoning                          | <input type="checkbox"/> AA. Licensee Property Interest                         |
| <input type="checkbox"/> I. RESERVED                         | <input type="checkbox"/> S. Lease Purchase/ Lease Option      | <input type="checkbox"/> BB. Binding Arbitration                                |
| <input type="checkbox"/> J. Interest-Bearing Acct.           |   | <input type="checkbox"/> Other: _____   |
|  |   | _____   |
|  |   | _____   |



# 19. Contract Riders

- **AS IS** Omits Riders (K) and L (As Is with right to cancel) found in Standard Contract
- Seasonal/Vacation Rentals and PACE Disclosure new to FR/Bar 6

## Standard Contract

<input type="checkbox"/> A. Condominium Rider	<input type="checkbox"/> M. Defective Drywall	<input checked="" type="checkbox"/> X. Kick-out Clause
<input checked="" type="checkbox"/> B. Homeowners' Assn.	<input type="checkbox"/> N. Coastal Construction Control Line	<input type="checkbox"/> Y. Seller's Attorney Approval
<input type="checkbox"/> C. Seller Financing	<input type="checkbox"/> O. Insulation Disclosure	<input type="checkbox"/> Z. Buyer's Attorney Approval
<input type="checkbox"/> D. Mortgage Assumption	<input type="checkbox"/> P. Lead Paint Disclosure (Pre-1978)	<input type="checkbox"/> AA. Licensee Property Interest
<input type="checkbox"/> E. FHA/VA Financing	<input type="checkbox"/> Q. Housing for Older Persons	<input type="checkbox"/> BB. Binding Arbitration
<input checked="" type="checkbox"/> F. Appraisal Contingency	<input type="checkbox"/> R. Rezoning	<input type="checkbox"/> CC. Miami-Dade County Special Taxing District Disclosure
<input type="checkbox"/> G. Short Sale	<input type="checkbox"/> S. Lease Purchase/ Lease Option	<input type="checkbox"/> DD. Seasonal/Vacation Rentals
<input type="checkbox"/> H. Homeowners'/Flood Ins	<input type="checkbox"/> T. Pre-Closing Occupancy	<input type="checkbox"/> EE. PACE Disclosure
<input type="checkbox"/> I. Mold Inspection	<input type="checkbox"/> U. Post-Closing Occupancy	<input type="checkbox"/> Other: _____
<input type="checkbox"/> J. Interest-Bearing Acct.	<input checked="" type="checkbox"/> V. Sale of Buyer's Property	_____
<input type="checkbox"/> K. "As Is"	<input type="checkbox"/> W. Back-up Contract	_____
<input type="checkbox"/> L. Right to Inspect/ Cancel		

## AS IS

<input type="checkbox"/> A. Condominium Rider	<input type="checkbox"/> M. Defective Drywall	<input type="checkbox"/> X. Kick-out Clause
<input type="checkbox"/> B. Homeowners' Assn.	<input type="checkbox"/> N. Coastal Construction Control Line	<input type="checkbox"/> Y. Seller's Attorney Approval
<input type="checkbox"/> C. Seller Financing	<input type="checkbox"/> O. Insulation Disclosure	<input type="checkbox"/> Z. Buyer's Attorney Approval
<input type="checkbox"/> D. Mortgage Assumption	<input type="checkbox"/> P. Lead Paint Disclosure (Pre-1978)	<input type="checkbox"/> AA. Licensee Property Interest
<input type="checkbox"/> E. FHA/VA Financing	<input type="checkbox"/> Q. Housing for Older Persons	<input type="checkbox"/> BB. Binding Arbitration
<input type="checkbox"/> F. Appraisal Contingency	<input type="checkbox"/> R. Rezoning	<input type="checkbox"/> CC. Miami-Dade County Special Taxing District Disclosure
<input type="checkbox"/> G. Short Sale	<input type="checkbox"/> S. Lease Purchase/ Lease Option	<input type="checkbox"/> DD. Seasonal/Vacation Rentals
<input type="checkbox"/> H. Homeowners'/Flood Ins.	<input type="checkbox"/> T. Pre-Closing Occupancy	<input type="checkbox"/> EE. PACE Disclosure
<input type="checkbox"/> I. RESERVED	<input type="checkbox"/> U. Post-Closing Occupancy	<input type="checkbox"/> Other: _____
<input type="checkbox"/> J. Interest-Bearing Acct	<input type="checkbox"/> V. Sale of Buyer's Property	_____
<input type="checkbox"/> K. RESERVED	<input type="checkbox"/> W. Back-up Contract	_____
<input type="checkbox"/> L. RESERVED		

## 20. Additional Terms

- General credit can go here
- Recall: “Kick-out Clause”
- Counter-offer may include rider
- **Tip:** Permit requirement often added to AS IS



# 20. Additional Terms – “AS IS permit language” (Example only; draft your own!)

20. **ADDITIONAL TERMS:** Seller will give buyer a \$2,000 credit

See addendum 19 X kick-out clause in seller's counter offer dated 5/20/20XX

The parties agree that buyers shall be under no obligation to close if there are any open permits on the property.  
Sellers shall close any open permits at their sole expense.

### COUNTER-OFFER



Seller counters Buyer's offer.

End of Part 2



# Counter-Offer



# Counter-Offer/Rejection

- Checkboxes:
  - Counter-offer
  - Rejection
- Legally binding
- Advice to seek counsel
- Signatures & addresses below

- Seller counters Buyer's offer (to accept the counter-offer, Buyer must sign or initial the counter-offered terms and deliver a copy of the acceptance to Seller).
- Seller rejects Buyer's offer.

**THIS IS INTENDED TO BE A LEGALLY BINDING CONTRACT. IF NOT FULLY UNDERSTOOD, SEEK THE ADVICE OF AN ATTORNEY PRIOR TO SIGNING.**

**THIS FORM HAS BEEN APPROVED BY THE FLORIDA REALTORS AND THE FLORIDA BAR.**

*Approval of this form by the Florida Realtors and The Florida Bar does not constitute an opinion that any of the terms and conditions in this Contract should be accepted by the parties in a particular transaction. Terms and conditions should be negotiated based upon the respective interests, objectives and bargaining positions of all interested persons.*

AN ASTERISK (\*) FOLLOWING A LINE NUMBER IN THE MARGIN INDICATES THE LINE CONTAINS A BLANK TO BE COMPLETED.

Buyer: Edward F. Black Date: 5/19/20xx  
*5/19/2019*

Buyer: Pamela M. Black Date: \_\_\_\_\_

Seller: Rahul B. Chopra Date: \_\_\_\_\_

Seller: Sonia Chopra Date: \_\_\_\_\_

Buyer's address for purposes of notice  
Edward F. and Pamela M. Black  
654 Oreo Circle  
Orlando, FL 32801

Seller's address for purposes of notice  
Rahul B. and Sonia Chopra  
2059 Tillman Avenue  
Winter Garden, FL 34787



# Notes on Specific Riders (Addenda)



# A. Condominium Rider

- Default provisions for
  - Condominium to approve Buyer
  - Seller to initiate approval process
  - Parties to sign docs related to 1st refusal
- Check box for frequency of payments
- Line for 2d association
- Required by Sec. 718.503, F.S.
- Buyer may cancel
  - W/in 15 days of execution for developer units
  - W/in 3 days for non-developer units
- Buyer must receive condominium docs
- Voidability rights cannot be waived
- 2023 Amendment (CR-6x)
  - Milestone Inspection Report Summary
  - Structural Integrity Reserve Study

## A. CONDOMINIUM RIDER

### 1. CONDOMINIUM ASSOCIATION APPROVAL:

The Association's approval of Buyer (**CHECK ONE**):  is  is not required. If approval is required, this Contract is contingent upon Buyer being approved by the Association no later than \_\_\_\_\_ (if left blank, then 5) days prior to Closing. Within \_\_\_\_\_ (if left blank, then 5) days after Effective Date Seller shall initiate the approval process with the Association and Buyer shall apply for such approval. Buyer and Seller shall sign and deliver any documents required by the Association in order to complete the transfer of the Property and each shall use diligent effort to obtain such approval, including making personal appearances if required. If Buyer is not approved within the stated time period, this Contract shall terminate and Buyer shall be refunded the Deposit, thereby releasing Buyer and Seller from all further obligations under this Contract.

### 2. RIGHT OF FIRST REFUSAL:

- (a) The Association (**CHECK ONE**):  has  does not have a right of first refusal ("Right"). If the Association has a Right, this Contract is contingent upon the Association, within the time permitted for the exercise of such Right, either providing written confirmation to Buyer that the Association is not exercising that Right, or failing to timely exercise such Right pursuant to the terms of the Declaration of Condominium ("Declaration", which reference includes all amendments thereto).
- (b) The members of the Association (**CHECK ONE**):  have  do not have a Right. If the members do have a Right, this Contract is contingent upon the members, within the time permitted for the exercise of such Right, either providing written confirmation to Buyer that the members are not exercising that Right, or failing to timely exercise such Right pursuant to the terms of the Declaration.
- (c) Buyer and Seller shall, within \_\_\_\_\_ (if left blank, then 5) days after Effective Date, sign and deliver any documents required as a condition precedent to the exercise of the Right, and shall use diligent effort to submit and process the matter with the Association and members, including personal appearances, if required.
- (d) If, within the stated time period, the Association, the members of the Association, or both, fail to provide the written confirmation or the Right has not otherwise expired, then this Contract shall terminate and the Deposit shall be refunded to the Buyer, thereby releasing Buyer and Seller from all further obligations under this Contract.
- (e) If the Association or a member timely exercises its or their Right, this Contract shall terminate and the Deposit shall be refunded to Buyer (unless this Contract provides otherwise), thereby releasing Buyer and Seller from all further obligations under this Contract, and Seller shall pay to Broker the full commission at Closing in recognition that Broker procured the sale.



# B. HOA

## B. HOMEOWNERS' ASSOCIATION/COMMUNITY DISCLOSURE

IF THE DISCLOSURE SUMMARY REQUIRED BY SECTION 720.401, FLORIDA STATUTES, HAS NOT BEEN PROVIDED TO THE PROSPECTIVE PURCHASER BEFORE EXECUTING THIS CONTRACT FOR SALE, THIS CONTRACT IS VOIDABLE BY BUYER BY DELIVERING TO SELLER OR SELLER'S AGENT OR REPRESENTATIVE WRITTEN NOTICE OF THE BUYER'S INTENTION TO CANCEL WITHIN 3 DAYS AFTER RECEIPT OF THE DISCLOSURE SUMMARY OR PRIOR TO CLOSING, WHICHEVER OCCURS FIRST. ANY PURPORTED WAIVER OF THIS VOIDABILITY RIGHT HAS NO EFFECT. BUYER'S RIGHT TO VOID THIS CONTRACT SHALL TERMINATE AT CLOSING.

BUYER SHOULD NOT EXECUTE THIS CONTRACT UNTIL BUYER HAS RECEIVED AND READ THIS DISCLOSURE.

Disclosure Summary For \_\_\_\_\_  
(Name of Community)

- (a) AS A BUYER OF PROPERTY IN THIS COMMUNITY, YOU WILL BE OBLIGATED TO BE A MEMBER OF A HOMEOWNERS' ASSOCIATION ("ASSOCIATION").
- (b) THERE HAVE BEEN OR WILL BE RECORDED RESTRICTIVE COVENANTS ("COVENANTS") GOVERNING THE USE AND OCCUPANCY OF PROPERTIES IN THIS COMMUNITY.
- (c) YOU WILL BE OBLIGATED TO PAY ASSESSMENTS TO THE ASSOCIATION. ASSESSMENTS MAY BE SUBJECT TO PERIODIC CHANGE. IF APPLICABLE, THE CURRENT AMOUNT IS \$ \_\_\_\_\_ PER \_\_\_\_\_. YOU WILL ALSO BE OBLIGATED TO PAY ANY SPECIAL ASSESSMENTS IMPOSED BY THE ASSOCIATION. SUCH SPECIAL ASSESSMENTS MAY BE SUBJECT TO CHANGE. IF APPLICABLE, THE CURRENT AMOUNT IS \$ \_\_\_\_\_ PER \_\_\_\_\_.
- (d) YOU MAY BE OBLIGATED TO PAY SPECIAL ASSESSMENTS TO THE RESPECTIVE MUNICIPALITY, COUNTY, OR SPECIAL DISTRICT. ALL ASSESSMENTS ARE SUBJECT TO PERIODIC CHANGE.
- (e) YOUR FAILURE TO PAY SPECIAL ASSESSMENTS OR ASSESSMENTS LEVIED BY A MANDATORY HOMEOWNERS' ASSOCIATION COULD RESULT IN A LIEN ON YOUR PROPERTY.
- (f) THERE MAY BE AN OBLIGATION TO PAY RENT OR LAND USE FEES FOR RECREATIONAL OR OTHER COMMONLY USED FACILITIES AS AN OBLIGATION OF MEMBERSHIP IN THE HOMEOWNERS' ASSOCIATION. IF APPLICABLE, THE CURRENT AMOUNT IS \$ \_\_\_\_\_ PER \_\_\_\_\_.
- (g) THE DEVELOPER MAY HAVE THE RIGHT TO AMEND THE RESTRICTIVE COVENANTS WITHOUT THE APPROVAL OF THE ASSOCIATION MEMBERSHIP OR THE APPROVAL OF THE PARCEL OWNERS.
- (h) THE STATEMENTS CONTAINED IN THIS DISCLOSURE FORM ARE ONLY SUMMARY IN NATURE, AND, AS A PROSPECTIVE PURCHASER, YOU SHOULD REFER TO THE COVENANTS AND THE ASSOCIATION GOVERNING DOCUMENTS BEFORE PURCHASING PROPERTY.
- (i) THESE DOCUMENTS ARE EITHER MATTERS OF PUBLIC RECORD AND CAN BE OBTAINED FROM THE RECORD OFFICE IN THE COUNTY WHERE THE PROPERTY IS LOCATED, OR ARE NOT RECORDED AND CAN BE OBTAINED FROM THE DEVELOPER.

\_\_\_\_\_  
DATE BUYER \_\_\_\_\_  
\_\_\_\_\_  
DATE BUYER \_\_\_\_\_

- Disclosure required by Sec. 720.401, F.S.
  - If not provided before execution, Buyer may cancel w/in 3 days of receipt or prior to closing whichever occurs first
- Receipt cannot be waived
- Buyer must receive:
  - Statement as to existence of restrictive covenants
  - Assessments imposed
  - Statement that documents public records/available at recorder's office

# C. Seller Financing

- **Warning** – Seek advice of legal counsel
  - Assist in complying with Dodd-Frank Summary of 1 property exclusion
- Summary of 3 property exclusion
- Specifies the terms of note
- Requires compliance with Dodd-Frank

## C. SELLER FINANCING

(PURCHASE MONEY MORTGAGE; SECURITY AGREEMENT TO SELLER)

**WARNING – PRIOR TO ENTERING INTO THE FINANCING CONTEMPLATED BELOW, SELLER AND BUYER ARE ADVISED TO SEEK THE ADVICE OF LEGAL COUNSEL TO DETERMINE IF THIS FINANCING COMPLIES WITH THE DODD-FRANK WALL STREET REFORM AND CONSUMER PROTECTION ACT (DODD-FRANK) AND OTHER RELEVANT FEDERAL AND STATE REQUIREMENTS.**

### I. SUMMARY OF SELLER FINANCING UNDER DODD-FRANK – PLEASE READ CAREFULLY

*Dodd-Frank has made significant and important changes affecting seller financing on residential properties. Effective January 10, 2014, a seller of residential dwelling(s) who finances buyer's purchase of seller's residential property may be considered a "loan originator" under Dodd-Frank, and required to comply with certain Truth In Lending Act ("TILA") rules and disclosures, unless the seller is entitled to one of the two exclusions set forth in Dodd-Frank:*

1. The "one property exclusion" where seller finances only **ONE** property in any 12 month period, and:
  - (a) The seller owns the property and is a natural person, a trust or an estate; and
  - (b) The seller did not construct or act as the contractor for the construction of a residence on the property in the ordinary course of business; and
  - (c) The financing does not result in negative amortization; and
  - (d) The financing has a fixed rate or an adjustable rate that does not adjust for the first 5 years and is subject to reasonable annual and lifetime rate adjustment limits.

**OR**

2. The "three property exclusion" where seller finances no more than **THREE** properties in any 12 month period, and:
  - (a) The seller owns the property and is a natural person or organization (corporation, LLC, partnership, trust, estate, association, etc.); and
  - (b) The seller did not construct or act as the contractor for the construction of a residence on the property in the ordinary course of business; and
  - (c) The loan is fully amortized, specifically there is no balloon payment or negative amortization; and
  - (d) The financing has a fixed rate or an adjustable rate that does not adjust for the first 5 years and is subject to reasonable annual and lifetime rate adjustment limits; and
  - (e) The seller determines in good faith that the buyer/borrower has the reasonable ability to repay the loan.

*A seller who finances the buyer's purchase of seller's residential property and who meets either of the two exclusions outlined above may use this Seller Financing Rider.*

*A seller who finances the buyer's purchase of seller's residential property and who is not exempt from Dodd-Frank should seek the advice of legal counsel regarding use of this Seller Financing Rider, including modifications or disclosures that may be required by Dodd-Frank, prior to completing this Rider.*

## Private Lending & Seller Finance After Dodd Frank



**On-Demand  
Webinar**

**Description:**

This one-hour presentation examines the impact of Dodd Frank's Loan Originator Rule on private lending and seller financing. It includes an examination of the seller financing exclusions from the rule and thoughts on how small lenders may (or may not) be able to comply.

**Accreditation:**

This webinar is approved for 1.0 general and 1.0 real estate or business litigation certification credit with The Florida Bar and 1 hour of continuing education with NALA.

This seminar meets the requirements of the NALA certifying Board for continuing legal education credit required to maintain the CP (Certified Paralegal) credential.

The Florida Bar accreditation for this seminar will expire on **June 30, 2025** and access to this seminar will not be available after that date.

# E. FHA and VA Financing

## E. FEDERAL HOUSING ADMINISTRATION (FHA)/U.S. DEPARTMENT OF VETERANS AFFAIRS (VA)

### 1. DEFINITIONS:

- (a) "Contract" is the Florida Realtors®/Florida Bar Residential Contract For Sale And Purchase (2014 ed.), to which this Rider is attached and intended to amend.
- (b) "Property" is the Property which is the subject matter of this Contract.
- (c) "HUD" is the Department of Housing and Urban Development.
- (d) "Purchaser" is the Buyer named in this Contract.

### 2. INSPECTIONS AND APPRAISAL:

In addition to the requirements of Paragraph 12 of this Contract, Seller shall comply with applicable FHA or VA regulations regarding termite inspection, roof inspection, and appraisal repairs (collectively "Appraisal Repairs"). The cost to Seller for Appraisal Repairs shall not exceed \$ \_\_\_\_\_, which cost is in addition to the costs required to be paid under Paragraphs 9 (a) and 12 (b), (c) and (d).

### 3. (CHECK IF APPLICABLE): FHA FINANCING: It is expressly agreed that notwithstanding any other provisions of this Contract, the Purchaser shall not be obligated to complete the purchase of the Property described herein or to incur any penalty by forfeiture of earnest money deposits or otherwise unless the Purchaser has been given in accordance with HUD/FHA or VA requirements a written statement by the Federal Housing Commissioner, Veterans Administration, or a Direct Endorsement lender setting forth the appraised value of the Property of not less than \$ \_\_\_\_\_. The Purchaser shall have the privilege and option of proceeding with consummation of this Contract without regard to the amount of the appraised valuation. The appraised valuation is arrived at to determine the maximum mortgage the Department of Housing and Urban Development will insure. HUD does not warrant the value or the condition of the Property. The Purchaser should satisfy himself/herself that the price and condition of the Property are acceptable.

- (a) **Fees, Prepayments:** Purchaser shall pay all loan expenses, except tax service fee which fee, if charged by Buyer's lender, shall be paid by Seller up to a maximum of \$ \_\_\_\_\_.
- (b) **Appraisal Repairs:** If the cost of Appraisal Repairs exceeds the limit imposed by Paragraph 2 above, Seller must, within 3 days after receiving notice of the excess cost, give Purchaser written notice of Seller's intention to pay some, all, or none of the excess amount. If Seller elects to pay less than the full amount of the excess cost, Purchaser may elect to pay the balance or cancel this Contract. Purchaser's election must be in writing and provided to Seller within 3 days after receiving written notice of Seller's election.
- (c) **Certification:** We, the undersigned Seller, Purchaser and Broker involved in this transaction each certify individually and jointly that the terms of this Contract are true and correct to the best of our knowledge and belief and that any other agreements entered into by any of these parties in connection with this transaction are part of, or attached to, this Contract.

### 4. (CHECK IF APPLICABLE): VA FINANCING: It is expressly agreed that, notwithstanding any other provision of this Contract, the Purchaser shall not incur any penalty by forfeiture of earnest money or otherwise be obligated to complete the purchase of the Property described herein, if this Contract purchase price or cost exceeds the reasonable value of the Property as established by the U.S. Department of Veterans Affairs. The Purchaser shall, however, have the privilege and option of proceeding with the consummation of this Contract without regard to the amount of reasonable value established by the U.S. Department of Veterans Affairs.

- Seller obligated to pay for Appraisal Repairs but can limit amount
- VA
  - Seller pays termite inspection, tax service, lender's underwriting & doc prep fees, & recording fees for assignment of mortgage
- FHA
  - Seller must pay tax service fee
  - Remove default repair amount
  - Add blank for appraisal amount
  - Remove default of Seller's maximum fees & prepayments

# H. Homeowner's/Flood Insurance

## H. HOMEOWNER'S/FLOOD INSURANCE

### (CHECK IF APPLICABLE)

(a) **Homeowner's Insurance:** If Buyer is unable to obtain homeowner's insurance coverage (including windstorm) from a standard carrier or the Citizen's Property Insurance Corporation at a first year annual premium(s) not to exceed \$ \_\_\_\_\_ or \_\_\_\_\_% of the Purchase Price by \_\_\_\_\_, 20\_\_\_\_ (if left blank, then the earlier of 30 days after Effective Date or 10 days prior to Closing Date), Buyer may terminate this Contract by delivering written notice to the Seller by the date set forth in this Paragraph, and Buyer shall be refunded the Deposit, thereby releasing Buyer and Seller from all further obligations under this Contract.

(b) **Flood Insurance:** In addition to the right of termination provided to Buyer in Paragraph 10(d), if Buyer is unable to obtain flood insurance coverage through the National Flood Insurance Program or through private flood insurance (as defined in 42 U.S.C. §4012a) at a first year premium not to exceed \$ \_\_\_\_\_ or \_\_\_\_\_% of the purchase price by \_\_\_\_\_, 20\_\_\_\_ (if left blank, then the earlier of 30 days after Effective Date or 10 days prior to Closing Date), Buyer may terminate this Contract by delivering written notice to the Seller by the date set forth in this Paragraph, and Buyer shall be refunded the Deposit, thereby releasing Buyer and Seller from all further obligations under this Contract.

# K. “AS IS”

- Seller responsibility for repairs deleted
- Buyer can inspect and terminate at Buyer’s sole discretion
- Essentially converts traditional FR/Bar to AS IS contract

## K. “AS IS”

### 1. SELLER’S OBLIGATIONS WITH RESPECT TO THE PROPERTY; LIMITATIONS:

- (a) Paragraph 9(a)(i) (General Repair Limit), Paragraph 9(a)(ii) (WDO Repair Limit), Paragraph 9(a)(iii) (Permit Limit), Paragraph 11 (Property Maintenance), and Paragraph 12 (Property Inspection and Repair) are deleted.
- (b) This Rider does not relieve Seller’s disclosure obligations under Paragraph 10(j). Except as provided for in this Rider, (1) Seller has received no written or verbal notice from any governmental entity or agency as to a currently uncorrected building, environmental or safety code violation and (2) Seller extends and intends no warranty and makes no representation of any type, either express or implied, as to the physical condition or history of the Property.
- (c) Subject to the provisions and limitations of this Rider, and to the extent permitted by law, Buyer waives any claims against Seller and against any real estate licensee involved in the negotiation of this Contract for any damage or defects pertaining to the physical condition of the Property that may exist at Closing of this Contract and be subsequently discovered by the Buyer or anyone claiming by, through, under or against the Buyer. The terms of this Rider shall survive Closing.

### 2. INSPECTION PERIOD AND RIGHT TO CANCEL:

- (a) Buyer shall have \_\_\_\_\_ (if left blank, then 15) days from Effective Date (“Inspection Period”) within which to have such inspections of the Property performed as Buyer shall desire and utilities shall be made available by the Seller during the Inspection Period.
- (b) If this Contract is terminated or if the transaction contemplated by this Contract does not close, Buyer shall repair all damage to Property resulting from Buyer’s inspections, return Property to its pre-inspection condition and provide Seller with paid receipts for all work done on Property upon its completion. This provision shall survive termination of this Contract.
- (c) If Buyer determines, in Buyer’s sole discretion, that the Property is not acceptable to Buyer, Buyer may terminate this Contract by delivering written notice of such election to Seller on or before expiration of the Inspection Period. If Buyer timely terminates this Contract, the Deposit shall be refunded to Buyer, thereby releasing Buyer and Seller of all further obligations under this Contract, except as provided in Subparagraph 2(b), above.
- (d) If Buyer elects to proceed with this Contract or fails to timely terminate this Contract on or before expiration of the Inspection Period, then, except for Seller’s continuing AS IS Maintenance Requirement under Paragraph 3 below, Buyer waives Seller’s obligation(s) to make repair(s), replacement(s), or treatment(s) or close open or expired Permits, accepts the physical condition of the Property and any violation of governmental, building, environmental, and safety codes, restrictions, or requirements, in their “as is” condition(s), and Buyer shall be responsible for any and all repairs and improvements required by Buyer’s lender.

### 3. PROPERTY MAINTENANCE; PROPERTY ACCESS; ASSIGNMENT OF CONTRACTS AND WARRANTIES:

Except for ordinary wear and tear and Casualty Loss, Seller shall maintain the Property, including, but not limited to, lawn, shrubbery, and pool, in the condition existing as of Effective Date (“AS IS Maintenance Requirement”). Seller shall, upon reasonable notice, provide utilities service and access to the Property for appraisal and inspections, including a walk-through prior to Closing, to confirm that all items of Personal Property are on the Real Property and that the Property has been maintained as required by this Paragraph 3. At Buyer’s option and cost, Seller shall, at Closing, assign all assignable repair, treatment and maintenance contracts and warranties to Buyer.

# L. Right to Inspect and Right to Cancel

- Buyer can inspect and terminate at Buyer's sole discretion
- Buyer can require Seller to make Paragraph 9 repairs
- Buyer's "Best of Both Worlds" option



## L. RIGHT TO INSPECT AND RIGHT TO CANCEL

1. In lieu of the Inspection Period set forth in Paragraph 12(a), Buyer shall have \_\_\_\_\_ (if left blank, then 15) days from Effective Date ("Right To Inspect Period") within which to have such inspections of the Property performed as Buyer shall desire and utilities shall be made available by the Seller during the Right To Inspect Period. Any inspections permitted under Paragraph 12 which Buyer desires to make must be completed during the Right To Inspect Period.
2. If this Contract is terminated or the transaction contemplated by this Contract does not close, Buyer shall repair all damage to Property resulting from Buyer's inspections, return Property to its pre-inspection condition and provide Seller with paid receipts for all work done on Property upon its completion. This provision shall survive termination of this Contract.
3. If Buyer determines, in Buyer's sole discretion, that the Property is not acceptable to Buyer, Buyer may terminate this Contract by delivering written notice to Seller on or before expiration of the Right To Inspect Period and the Deposit shall be refunded to Buyer, thereby releasing Buyer and Seller from all further obligations under this Contract, except as provided in Subparagraph 2, above.
4. If Buyer elects to proceed with this Contract or fails to timely terminate this Contract on or before expiration of the Right To Inspect Period, then this Contract shall remain in effect and:
  - (a) If, during the Right To Inspect Period, Buyer has conducted inspections permitted by Paragraph 12 and timely reports to Seller in writing within the Right To Inspect Period any items requiring repair, replacement, treatment, or the need to obtain and close Permits under such Paragraph 12, then Seller shall pay up to the applicable amounts required by Paragraph 9(a)(i),(ii), or (iii); or
  - (b) If, during the Right To Inspect Period Buyer: (i) fails to conduct inspections permitted by Paragraph 12, or (ii) conducts inspections, but fails to timely deliver to Seller a written notice or report required by Paragraphs 12 (b), (c), or (d), then, except for Seller's continuing Maintenance Requirement, Buyer shall have waived Seller's obligation(s) to repair, replace, treat or remedy the matters not inspected and timely reported.
5. If this Contract does not close, Buyer shall repair all damage to Property resulting from Buyer's inspections, return Property to its pre-inspection condition and provide Seller with paid receipts for all work done on Property upon its completion.

## T. U. Y. and Z.

- T Pre-closing occupancy by Buyer
  - Requires parties agree to written lease
  - If no lease w/in stated time period, either party may cancel
- U Post-closing occupancy by Seller
  - Requires parties agree to written lease
  - If no lease w/in stated time period, either party may cancel
- Y Seller's attorney approval
- Z Buyer's attorney approval





## V. Sale of Buyer's Property

- Contract can terminate if buyer does not close by date certain on sale of buyer's property
- Important: "Loan Approval" not defined to include such sale contingency unless Rider V. is included

### V. SALE OF BUYER'S PROPERTY

This Contract is contingent on the sale and closing of Buyer's property located at \_\_\_\_\_

Upon entering into a contract for the sale of Buyer's property, Buyer shall give Seller a copy of such contract with the third parties' identification and purchase price information obliterated. If the sale of Buyer's property does not close by \_\_\_\_\_ Buyer may, within 3 days thereafter, deliver written notice to Seller terminating this Contract in which event the Deposit shall be refunded to Buyer, thereby releasing Buyer and Seller from all further obligations under this Contract. If Buyer fails to timely deliver said written notice to Seller, this contingency shall have no further force or effect.

Buyer's property  is  is not presently under contract for sale. If Buyer's property is under contract at the time this offer is made, Buyer shall provide Seller a copy of the contract, with the third parties' identification and purchase price information obliterated, simultaneously with the original, signed Contract submitted to Seller from Buyer or not later than 24 hours after Buyer's offer is delivered to Seller.

# DD. Seasonal and Vacation Rentals After Closing

- Used if house short-term rented b/w contract and closing
  - Not used for annual rentals
- Determines if seller can do seasonal/short-term rentals
  - With or without buyer's agreement
- Also gives buyer right to review extant property management agreement

## DD. SEASONAL and VACATION RENTALS AFTER CLOSING

The Property is or may be subject to seasonal or short-term vacation rental(s) for occupancy.

- A. Seller (**CHECK ONE**):  may or  may not, after Effective Date and prior to Closing, enter into new or renewal seasonal or vacation rental/occupancy agreement(s), at market rate and terms, for occupancies of the Property by third parties after Closing,

If the box for "may", above, is checked, Seller may do so (**CHECK ONE**):

- Only with Buyer's prior approval of the rental terms and conditions, in writing; or  
 Without Buyer's prior approval of the rental terms and conditions.

Seller shall, at or prior to Closing, provide Buyer with a copy of any new or renewal occupancy agreement(s) for occupancy of the Property after Closing, which are entered into by Seller after Effective Date.

## EE. PACE Disclosure

- Gives buyer notice if property is subject to PACE financing
- Warns buyer that lenders won't allow "assumption"

### EE. PROPERTY ASSESSED CLEAN ENERGY (PACE) DISCLOSURE

Property Assessed Clean Energy (PACE) programs provide financing to property owners for improvements to their real property for energy efficiency, renewable energy, and wind resistance, and repayment of the debt through annual property tax bill assessments on the Property, and Florida Statutes, Sec. 163.08(14), states that the Seller shall give the Buyer a written disclosure statement, in the form set forth below, at or before the time Buyer executes a contract to purchase property for which a non-ad valorem assessment has been levied under this section and has an unpaid balance due.

In the event Buyer is obtaining a mortgage loan to purchase the Property, be advised that MOST MORTGAGE LENDERS WILL REQUIRE THE SATISFACTION OR RELEASE OF THE PACE FINANCING FROM THE PROPERTY.

# Practical Considerations



# Dealing With Common Issues

- Upon receiving fully executed contract
  - Common Errors
    - Contract doesn't reflect what parties/client want
    - Names wrong/missing
    - Legal description errors
    - Impossible dates/deadlines
    - Blanks
- Closing agent does not have all deposits from RE agent
  - Written request to Buyer/Agent for transfer of all deposits
    - Not "net" of RE commission
  - Rider issues
    - Y Seller's attorney approval
    - Z Buyer's attorney approval
- Push back early for corrections or amendments



# Seller Names

**PARTIES** Rahul B. Chopra and Sonia Chopra, husband and wife ("Seller"),  
and Edward F. Black and Pamela M. Black, husband and wife ("Buyer"),

- Sellers names follow vesting deed or prior title policy unless
  - Spouse deceased?
  - Owners divorced?
  - New spouse, if homestead property



# Buyer Names

**PARTIES:** Rahul B. Chopra and Sonia Chopra, husband and wife \_\_\_\_\_ ("Seller"),  
and Edward F. Black and Pamela M. Black, husband and wife \_\_\_\_\_ ("Buyer"),

- Shown exactly as title to be held
  - Nicknames, initials, etc.
  - Buyers sign as name appears on contract
  - Names should appear the same on all documents
  - Entities must exist at time title taken



# Legal Description

## Contract

(c) Real Property: The legal description is Bronson's Landings, 66/139, Lot 86

## Vesting Deed

**Lot 86, BRONSON'S LANDINGS, according to the Plat thereof, recorded in Plat Book 66, Page 139, of the Public Records of Orange County, Florida.**

- Property Appraiser and MLS may use shorthand
  - Often used by RE agents in writing up contract
- Good enough for contract if “meeting of the minds”
- NOT good enough for
  - Deed
  - Mortgage
  - Title insurance





# Counter-Offers

- Any alteration made upon receipt of an offer or counter-offer
- Changes initialed & dated by both parties to indicate acceptance & to avoid misunderstandings

<u>master bathroom and powder room</u>		
<b>PURCHASE PRICE AND CLOSING</b>		
2. PURCHASE PRICE (U.S. currency):.....	<i>R.Z.</i> 8/14/2017	<i>S.B. M.B.</i> 8/15/2017 \$4,900,000.00 <del>\$4,850,000.00</del>
(a) Initial deposit to be held in escrow in the amount of (checks subject to COLLECTION) .....		\$200,000.00
The initial deposit made payable and delivered to "Escrow Agent" named below		

# Other Considerations



# Potential Issues

- Who pays for Owner's policy?
  - Local custom or
  - Decided by parties
- Who does title agent represent?
  - Buyer
  - Seller
  - Neither (closing agent only)
- Who pays for preparation of documents?
  - Note: NO "doc prep fee"
- Is title agent the escrow agent?
- What is spelled out in Contract?
- Letter to parties?



# Closing Document Responsibility – Para. 18 I (ii)

## Seller

- Deed
- Bill of Sale
- Certificate of Title
- Construction lien affidavit(s)
- Owner's affidavit(s)
- Lease assignment(s)



## Buyer

- Survey
- Elevation certificate
- Lender required documents such as:
- Promissory Note
- Mortgage
- Financing statements
- And many more

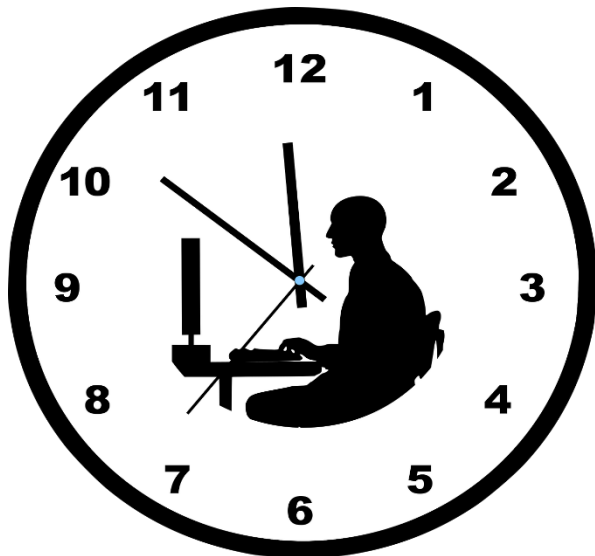
(ii) **CLOSING DOCUMENTS:** Seller shall, at or prior to Closing, execute and deliver, as applicable, deed, bill of sale, certificate(s) of title or other documents necessary to transfer title to the Property, construction lien affidavit(s), owner's possession and no lien affidavit(s), and assignment(s) of leases. Seller shall provide Buyer with paid receipts for all work done on the Property pursuant to this Contract. Buyer shall furnish and pay for, as applicable, the survey, flood elevation certification, and documents required by Buyer's lender.

# Dates and Deadlines



# Review Deadlines

- Acceptance/counter-offer
- Effective Date
- Closing Date
- Documents from Seller to Buyer
- Financing
- Flood insurance
- Inspections
- Title/objections to title/cure
- Survey



# Prior to Effective Date

- 3 days prior to contract
  - For Buyer to cancel after receipt of Condo docs
- 2 days from counter offer
  - To accept
- Deadline for execution & delivery of acceptance
  - FR/Bar – Offer withdrawn after \_\_\_ date
  - CRSP – Offer revoked after \_\_\_ date



# Effective Date

- Day last party signs & delivers to other party
- Used to calculate many deadlines
- Paragraph 3 (b) FR/Bar

(b) The effective date of this Contract shall be the date when the last one of the Buyer and Seller has signed or initialed and delivered this offer or final counter-offer ("Effective Date").

- Paragraph 11 (a) CRSP

(a) **Effective Date:** The "Effective Date" of this Contract is the date on which the last of the parties initials or signs and delivers the final offer or counter offer. **Time is of the essence for all provisions of this Contract.**



# 3 Days After Effective Date

3 days after Effective Date

- Buyer's initial deposit (if checked) within \_\_\_\_ (default 3 days)



# 5 Days After Effective Date

## 5 Days after Effective Date

- Buyer
  - Shall apply for loan within \_\_\_\_\_ (default 5 days)
- Seller
  - Shall disclose facts and terms of 3d parties renting or occupying after Closing
  - Shall provide copies of written leases
  - Shall furnish owner's policy of title insurance
  - Shall furnish survey in possession
  - Condominium Rider
    - Shall initiate condominium approval process (default 5 days)
    - Buyer and Seller shall deliver docs required for right of first refusal (default 5 days)



# 10, 15, 20, & 30 Days After Effective Date

## 10 days after Effective Date

- Buyer
  - Additional deposit within \_\_\_\_\_ (default 10 days)

## 15 days after Effective Date

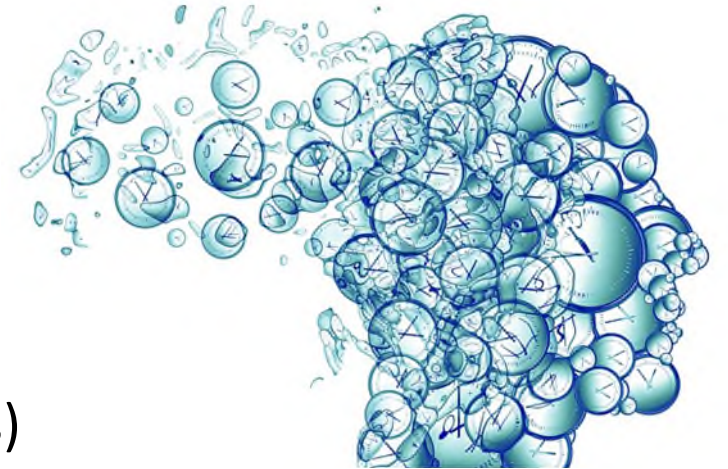
- Buyer to conduct Inspection within \_\_\_\_\_ (default 15 days)

## 20 days after Effective Date

- Buyer may terminate if property is in a flood zone by \_\_\_\_\_ (default 20 days)

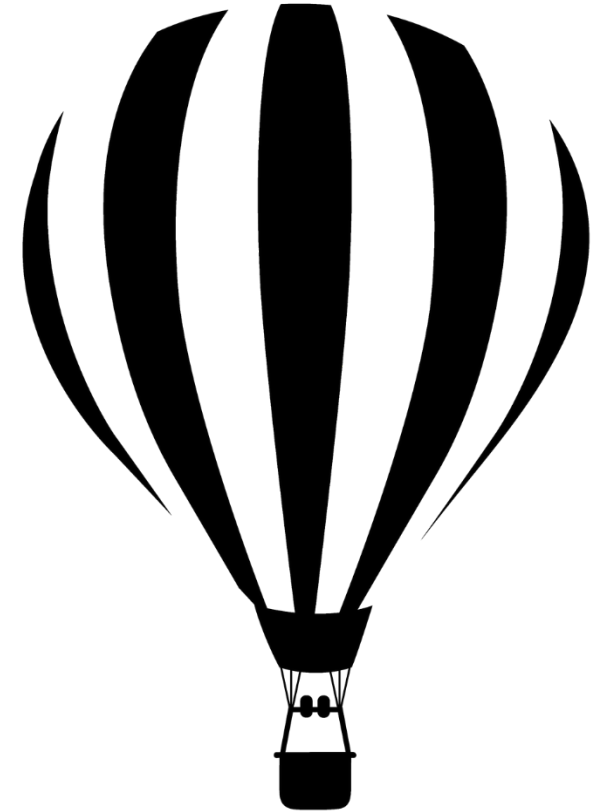
## 30 days after Effective Date

- Buyer to obtain financing or Loan Approval by \_\_\_\_\_ (default 30 days)



# Floating Dates – Buyer

- May terminate if no loan approval prior to Loan Approval date
- May terminate within 5 days of receipt of
  - Written facts & terms of leases
  - Copies of leases if estoppel letters from tenants differ materially from prior disclosure, but no later than 5 days prior to closing
- Has 5 days after receiving Commitment to notify Seller of defects
- Has 5 days after receipt of survey to deliver written notice of survey issues



# Floating Dates – Seller

- Up to 3 days after the loan approval date to terminate if no loan approval
- Up to 30 days to cure title defects – may be extended
- Within 10 days of receipt of Inspection Report to obtain repair estimate
- Within 10 days of Permit Inspection estimate to close
- Prior to closing date to notify Buyer permits have been closed out



# Floating Dates – Both

- Within 5 days if estimates for repairs exceed allotted amount
  - Buyer can accept “as is”
  - Buyer can select repairs
  - Seller can offer to repair all
- Within 5 days, Seller can elect to pay excess if cost to remedy permit violation exceeds the Permit Limit allotted amount
- Or Buyer may accept the property “as is” & receive credit at closing in the Permit Limit amount



# Prior to Closing

## Buyer

- 15 days prior to closing
  - Receive Title Commitment \_\_\_\_\_ (default 15 days)
  - Have property surveyed
- 5 days prior to closing
  - To be approved by condominium
- 1 day prior to closing
  - To carry out walk-through inspection

## Seller

- 10 days prior to closing
  - provide estoppel letters from tenants
- 5 days prior to closing
  - Close permits within allotted amount



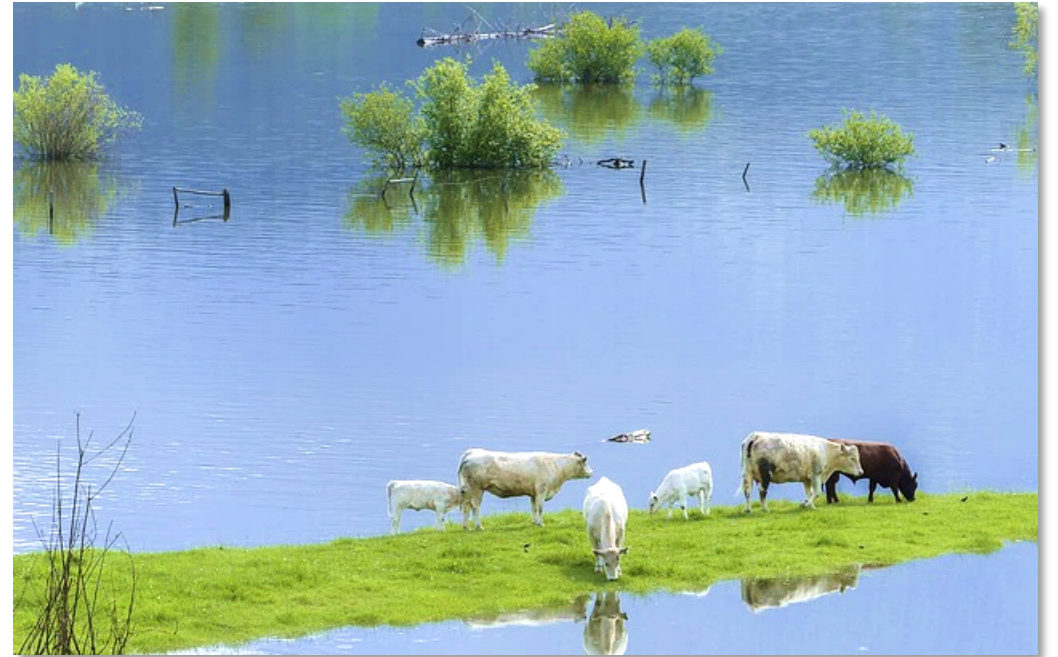
# Cancellation Provisions





# Cancellation Provisions

- Description of tenants' lease terms not acceptable (Buyer's sole discretion)
- Estoppel letter from tenants is materially different from description of terms
- No Loan Approval
- Appraisal too low for Loan Approval)
- Property in flood zone or unable to obtain flood insurance



# Cancellation Provisions

- Cost to remedy in excess of allotted amount
  - General
  - WDO
  - Permit
- Title issues
- Condominium documents delivered after execution of contract and not acceptable to Buyer if



# Rider Cancellation Provisions

- F Appraisal
- K “As Is”
- L Right to inspect/cancel
- V Sale of Buyer’s property
- X Kick-out clause
- Y Seller’s attorney approval
- Z Buyer’s attorney approval



# Service Member Cancellation

- Can terminate contract if:
  - Required to move 35 miles from property
  - Released from active duty & more than 35 miles from home
  - Required to move to government quarters
  - Receive orders to an area more than 35 miles away
    - Sec. 689.27 F.S.



# Defaults and Breach



# 15.(a)/(b) Default

What are the Seller's options where Buyer defaults?

- Seller may elect to retain Deposit (paid and agreed to be paid) or
- Proceed in equity to enforce contract (specific performance)



What are the Buyer's options where Seller Defaults?

- Buyer may elect return of Deposit and
- May also sue for damages, or
- Proceed in equity to enforce contract (specific performance)
- Provision survives Closing or termination

# Ethical Considerations



# Ethical Considerations

- Deposit forfeiture disputes
  - If buyer has a valid legal claim to the funds Deposits held until agreement or order (from interpleader action) to release to a specific party where transaction failed to close
    - FL Eth. Op. 02-6 2003 WL 22347984 (Fla. St. Bar Assn.) (Mar. 7, 2003)
- Preparing documents for both sides of transaction can be problematic
  - FL Eth. Op. 97-2 1997 WL 461088 (Fla. St. Bar Ass'n) (May 1, 1997)
- If transaction one-sided, review provisions of documents with unrepresented party
  - Fla. Bar v. Belleville, 591 So. 2d 170 (Fla. 1991)





# Professionalism Considerations

- Consider pointing out obvious mathematical and clerical mistakes  
Remember 'the Golden Rule'
- Avoid waiting to last minute to meet deadlines
- Arrange for appropriate and convenient signings – give consideration of needs of all parties in terms of locale, time of day, method of signing
- Treat all the other participants (paralegals, lender reps, vendors) in the transaction with respect – they are crucial to getting to closing

# Residential Contracts

## For Sale and Purchase

# The End

*Thank you for coming!*



John B. "Jay" St. Lawrence  
Fund Regulatory Compliance Counsel  
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**The  
Fund**<sup>®</sup>



**CERTIFICATE OF ATTENDANCE**

Certified Paralegals are required to record evidence of 50 hours of continuing legal education hours to renew the CP credential every 5 years. CLE hours are recorded in CPs' accounts through the [NALA online portal](https://www.nala.org/certification/certtest2view). Of the 50 hours, 5 hours must be in legal ethics, and no more than 10 hours may be recorded in non-substantive areas. If attending a non-NALA sponsored educational event, this certificate may be used to obtain verification of attendance. Please be sure to obtain the required signatures for verification of attendance. The requirements to maintain the CP credential are available from NALA's web site at <https://www.nala.org/certification/certtest2view>. Please keep this certificate in the event of a CLE audit or further information is needed.

**PLEASE COMPLETE THE SPACES BELOW AND ATTACH A PROGRAM**

Session Length In Hours	Session Topics (Description and Speakers)	Validation of Attendance
----------------------------	--	-----------------------------

3.0 Substantive	Residential Real Estate Contracts for Sale & Purchase/ John St. Lawrence	<i>John St. Lawrence</i>

Name of CP (Please Print)			NALA Account Number (On Mailing Label)		
			149113		
Signature of CP			Name of Seminar/Program Sponsor		
			Residential Real Estate Contracts for Sale & Purchase / ATFS, LLC		
Address			Authorized Signature of Sponsor Representative		
			<i>John St. Lawrence</i>		
			Date of Educational Event:		
City:		State (XX):			
Preferred e-mail address			Location:		
			Recorded Webinar		

For Office Use Only	
<b>Substantive hours</b>	
<b>Non-substantive hours</b>	
<b>Ethics</b>	



**FL BAR Reference Number: 2412204N**

**Title:** Residential Real Estate Contracts for Sale &  
Purchase

**Level:** Intermediate

**Approval Period:** 04/01/2025 - 10/31/2026

**CLE Credits**

General      3.0

**Certification Credits**

Real Estate    3.0