

**Comprehensive Rider to the
Residential Contract for Sale and Purchase
Summary of Changes**

- A. Condominium Association Disclosure
- Application/transfer fees are no longer referenced in the rider, rather are now described in Paragraph 9 of the body of the contract.
 - Obligation to pay estoppel fees are described in Paragraph 9 of the body of the contract.
 - Seller to disclose any special assessments levied and pending in Paragraph 3 (c)(i). An assessment is considered pending if it has been an item on the agenda or reported in the minutes of the Association within 12 months of the Effective Date or has been levied. If the Seller fails to disclose these, Seller is obligated to pay at Closing.
 - If special assessments exist as of Effective Date and may be paid in installments there are check boxes to indicate which party is obligated to pay
 - Any special assessments imposed after Effective Date, Seller will pay amounts due before Closing Date and Buyer will pay what is due after Closing Date.
 - New blank to be filled in by Seller of any litigation pending or anticipated
 - Broker to be paid commission by Seller if First Right of Refusal is executed.
- B. Homeowners' Association/Community Disclosure
- no substantive change
- C. Seller Financing
- no substantive change
- D. Assumption of Existing Mortgages
- no substantial change
- E. FHAVA Rider
- no substantive change
- F. Appraisal Contingency
- Requires that Property appraise in the minimum amount set forth in the rider by a date certain and if it does not, then Buyer can terminate by giving written notice within 3 days or waive the contingency
 - Buyer or lender is to obtain the appraisal at Buyer's expense from a licensed Florida appraiser and is to deliver a copy of the appraisal to Seller by the date inserted in the blank

- Buyer's failure to obtain appraisal or to deliver timely waives contingency

G. Short Sale Approval Contingency -

- Makes contract contingent on short sale approval
- Defines Seller's lender to include Seller's lenders and all lien holders
- Defines Short Sale Approval to include (a) approval by Seller's lender of the terms of the contract, and HUD-1 settlement statement (b) Seller's Lender acceptance of a payoff less than Seller's indebtedness and (c) release and satisfaction of the mortgage and all other liens. Additionally, if Seller's lender(s) fails to agree to release any claim for deficiency, or if the lender has any other requirements of the parties, the approval will not be deemed Short Sale Approval unless the affected party agrees to additional terms in writing.
- Requires Seller to request and submit the application form for the short sale within a negotiated number of days from Effective Date and to promptly supply additional documentation to Seller's Lender if requested.
- Requires Seller to promptly notify Buyer if Seller is approved or denied for the short sale and to deliver a copy of the accepted Short Sale Approval letter to Buyer within 3 days of Seller's receipt.
- Time period to be filled in after which if Buyer hasn't been notified of Seller's Lender approval of the short sale, either party can cancel the contract. (This is known as the Short Sale Approval Deadline) There is also an outside date to be filled in that which specifies that the contract will automatically terminate if Seller's Lender's approval has not been given by that date (Contract Expiration Date). Both time periods have default dates if the blanks aren't filled in.
- Requirement that all time periods except for 1) date for making initial deposit, 2) Short Sale Approval Deadline and 3) Contract Expiration Date will begin to run from the date Buyer receives a copy of the Short Sale Approval letter accepted by Seller
- Closing Date of the contract is modified to a negotiated number of days inserted in Paragraph 6 after receipt of a copy of the Short Sale Approval letter accepted by Seller.
- Check boxes that will indicate the parties agree that either the Seller will not accept other contracts, or that Seller will accept back up offers.

H. Homeowners' Insurance

- Makes Buyer's offer contingent on obtaining homeowner's insurance (including windstorm) in an amount not to exceed the cap inserted in the blank by a negotiated date.

I. FIRPTA

No substantive change

- J. Interest-bearing account
- A rider that can be used to designate that all Deposits will be held in at a negotiated depository in an interest bearing account, with the interest going to the party named in the rider
- K. "As Is" Rider
- Conforms the contract to an "as is" sale, in the event the "As Is Contract" is not used.
 - Added a default date of 15 days to Paragraph 2 for Buyer to conduct inspections and to terminate agreement, in the event the parties fail to fill in the blank.
- L. Right to Inspect and Right to Cancel
- conformed to new paragraph numbers and standards in the revised contract
 - changed the Buyer's time to inspect and report defects, and to terminate the contract from Inspection Period to new term Right to Inspect Period (so it doesn't conflict with Inspection Period in Paragraph 12)
 - New default time frame of 15 days given in the event the parties fail to fill in blank setting time for Right to Inspect Period
- M. Defective Drywall
- To be used in transactions where defective drywall is an issue
 - Describes defective drywall to consumers.
 - Provides for Seller to disclose if he has knowledge of defective drywall in the Property
 - Allows for Buyer to opt to inspect for defective drywall within a certain period of time and to cancel the contract if costs to remove the defective drywall and damages exceeds a negotiated amount or if blank not filled in \$500.00, or to waive the right to inspect.
- N. Coastal Construction Control Line
- no change
- O. Insulation Disclosure for New Residence
- no change
- P. Lead-Based Paint Disclosure
- no change
- Q. Housing for Older Persons
- Provides that Property is housing for older persons as defined by Fair Housing Act, with check boxes to mark whether the housing is for those 62 years of age and older or 55

- R. Rezoning Contingency
- no substantive change
- S. Lease purchase/Lease option
- Provides that the contract is contingent on the parties executing a lease /purchase or option agreement within 5 days from Effective Date.
 - It contains check boxes which allows parties to negotiate who pays for the preparation of the agreement and language that allows for termination of the agreement if the agreement isn't executed within 5 days from Effective Date.
- T. Pre-Closing Occupancy By Buyer (previously entitled Pre-Occupancy By Buyer)
- new check box option for the parties to share expense of the drafting of the lease
 - New clause added allowing either party to cancel contract if they don't mutually agree on terms of a lease as contemplated by the rider unless the Buyer has already taken occupancy.
- U. Post – Closing Occupancy by Seller (Previously entitled Post –occupancy by Seller)
- New check box option for the parties to share the expense of the drafting of the lease
 - New clause added allowing either party to cancel contract if they don't mutually agree on terms of a lease as contemplated by the rider
- V. Sale of Buyer's property
- Added language that a copy of the Buyer's contract will be provided to Seller on the date inserted in the blank on the contract with the third party identification and purchase price information obliterated.
- W. Back up contract
- Added provision that Effective Date of the back up will be date Seller delivers written notice of the termination of the prior executed contract
 - Now Buyer can terminate any time prior to being notified that the previous contract was terminated.
- X. Kick out clause
- no substantive change
- Y. Seller's attorney approval
- no substantive change
- Z. Buyer's attorney approval
- no substantive change

AA. Licensee-Disclosure of Personal Interest in Property

- Disclosure that person named in the rider holds a real estate license and is related to a party as described in the rider.

BB. Binding Arbitration

- Provides for arbitration of any dispute between Buyer and Seller using the Real Estate Industry Rules of the American Arbitration Association.) or any other arbitration rules the parties mutually agree upon if the matter is not settled by mediation. (The Real Estate Industry Rules of the American Arbitration Association rules can be obtained found at www.adr.org)