

## **Summary of Changes to the Comprehensive Addendum of the FAR Contract**

Version FARA-9, Revised 04/07

### ***A. CONDOMINIUM ASSOCIATION***

- Added a clause indicating that Homeowner's Association Addendum B is to be attached if the condominium property is subject to a master homeowner association.
- Clarified that risk of loss under paragraph 9 of the contract applies only to the unit and limited common elements appurtenant to the property and not to common elements.
- Seller to assign boat slip and storage unit in addition to parking space
- Added check boxes for who pays if special assessment paid in installments.
- Added paragraph 7 allowing either party to cancel if any portion of the common element is damaged due to fire, storm or other casualty if (a) the property appraises below the purchase price and buyer elects not to proceed or cannot renegotiate or (2) the Association cannot determine the assessment attributable to the property for the damage or (3) the assessment determined or imposed by the Association attributable to the property is greater than blank amount (1.5% if left blank).

### ***B. HOMEOWNERS ASSOCIATION***

- Same changes as the Condominium Addendum except for the boat slip and storage unit.

### ***C. SELLER FINANCING*** - No change.

### ***D. MORTGAGE ASSUMPTION*** - No Change.

### ***E. FHA FINANCING***

- Seller to pay all required FHA fees up to a maximum of \$250 if left blank instead of listing all the fees that seller is required to pay which the buyer is not allowed to pay under FHA regulations.
- \$500 if left blank increase from \$250 if left blank for Seller repairs.
- Added a requirement that if buyer elects to proceed with the transaction without regard to the amount of reasonable value established by the Federal Housing Commissioner or Department of Veteran affairs, election must be made in writing.

### ***F. VA FINANCING***

- Same changes as the FHA Addendum.

### ***G. NEW MORTGAGE RATES*** - No Change.

**H. AS IS WITH RIGHT TO INSPECT**

- Added that Permit Limit in paragraph 5 of the contract is 0%.
- Deleted reference that repairs determined to be necessary by buyer so that buyer would have to give a copy of repairs estimated by buyer's inspector rather than a copy of repairs determined to be necessary by buyer.
- Added a \$250.00 floor to the amount of estimated repairs, if the space is left blank, in order for buyer to cancel the contract.
- Added a clause allowing the buyer to cancel the contract if the buyer's search reveals open permits or if improvements have been made without a required permit.
- Added a requirement for buyer to give Seller written documentation that open permits exist on the property or that permits have not been obtained when required for improvements made.
- Added that buyer and/or buyer's representative in addition or instead of the buyer may conduct the walk-through inspection.

**K. LEAD-BASED PAINT**

- Added the word signature next to word licensee to re-enforce the federal legal requirement for the listing and selling licensee to sign the addendum.

**L. INSURANCE**

- Separated flood insurance from comprehensive homeowner's insurance including windstorm into (1) (a) and (1) (b).
- Added the requirement to obtain homeowner's insurance and/or flood insurance the earlier of 30 days after Effective Date or 5 days prior to Closing Date if space is left blank.
- Added an acknowledgement in subparagraph (3) to inform buyers not to rely on representations made by the seller or broker regarding the usability of the first floor in the event of flood damage to the first floor and that if there is flood damage to the first floor, the buyer may have difficulty in obtaining flood insurance or may suffer adverse enforcement proceedings by local authorities.

**M. HOUSING FOR OLDER PERSONS - No Change****N. ~~UNIMPROVED AND/OR AGRICULTURAL PROPERTY~~  
LEASE PURCHASE/LEASE OPTION**

- Deleted the addendum. Added addendum for Lease Purchase/Lease Option contingency where buyer and seller would have to execute a Lease Purchase or Lease Option agreement within 3 days from Effective Date, and if the parties fail to do so within such time, the contract will terminate and buyer's deposit shall be refunded. Included check boxes for the parties to agree who is to pay for the preparation of the Lease Purchase or Lease Option agreement.

**O. INTEREST-BEARING ESCROW ACCOUNT - No Change.**

**P. BACK-UP CONTRACT/KICK-OUT CLAUSE**

- Titled subparagraph (2) Kick-Out Clause to facilitate reading.
- Effective Date of the back-up contract will be the date Seller delivers written notice of the termination of the prior executed contract. Buyer can cancel the back-up contract by delivering written notice to the seller within 3 days after the date inserted.
- Added a check box for buyer to cancel the back-up contract prior to the Effective Date of the back-up Contract (the date the Seller delivers written notice of the termination of the prior executed contract).

**Q. BROKER-PERSONAL INTEREST IN PROPERTY** - No Change.

**R. RENTALS** - No Change.

**S. SALE/LEASE OF BUYER'S PROPERTY** - No Change.

**T. REZONING** - No Change.

**U. ASSIGNMENT** - No Change.

**V. PROPERTY DISCLOSURE STATEMENT** - No Change.

**W. FOREIGN INVESTMENT REAL PROPERTY TAX ACT ("FIRPTA")** - No Change.

**X. 1031 EXCHANGE** - No Change.

**Y. ADDITIONAL CLAUSES** - No Change.